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REPORT TO THE MINISTER OF LABOUR BY THE ONTARIO PAY EQUITY COMMISSION

on Options relating to
the Achievement of Pay Equity
in Sectors of the Economy which are
Predominantly Female.

THE
PAY EQUITY
COMMISSION





Pay
Equity
Commission

Commission
de l'équité
salariale

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-1989
R253

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October 18, 1989

The Honourable Gerry Phillips
Minister
Ontario Ministry of Labour
400 University Avenue, 14th Floor
Toronto, Ontario
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Dear Mr. Phillips:

The Pay Equity Office is pleased to submit to you the Report on the Options Relating to the Achievement of Pay Equity in Sectors of the Economy which are Predominantly Female.

In January of this year, the Pay Equity Office submitted a report that identified five options relating to the achievement of pay equity in predominantly female sectors. This report addresses those five options, makes recommendations relating to them, and makes further recommendations relating to the implementation of pay equity for women in predominantly female sectors.

This report will, we hope, assist in the task of extending the benefits of the pay equity legislation to more women in Ontario.

Sincerely,

Brigid O'Reilly

Brigid O'Reilly
Commissioner

BOR:hdw
Enclosure

Page 1
Date
Subject

Mr. [Name]
[Address]
[City]
[Province]
[Country]

October 15, 1989

The Honourable Justice O'Brien
Minister
Ontario Ministry of Justice
The Honourable Justice, 10th Floor
Toronto, Ontario
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Dear Mr. O'Brien:

The pay equity legislation passed by the Ontario Legislature in 1985 is a landmark in the history of the province. It is a significant step towards achieving pay equity for women in the public sector.



In January of 1989, the Honourable Justice O'Brien announced that the Ontario Ministry of Justice was conducting a study into the implementation of the pay equity legislation. This report is the result of that study. It contains information on the progress of the implementation of the legislation and the challenges that have been encountered.

This report will be made available to the public as soon as possible. The results of the pay equity legislation will be made known in due course.

Sincerely,

Barry Gold

Barry Gold
Chairman

Box 100
Toronto

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1.0 INTRODUCTION

1.1 Background

The purpose of the Pay Equity Act, 1987 is to redress systemic gender discrimination in compensation. The method provided in the Act to accomplish this is to compare predominantly female job classes to predominantly male job classes in the same establishment. Without male comparators, female job classes covered by the Act cannot benefit from the legislation, even though their jobs are under-valued. (See Appendix 1-1 for a summary of the pay equity process as currently outlined in the Act.)

"Systemic" means that such discrimination is imbedded in compensation systems: it is not intentional discrimination on the part of individuals. One of the circumstances which enables such discrimination is the fact that men and women hold different kinds of jobs. This is referred to as occupational segregation. Predominantly female sectors of the economy constitute occupational segregation in the extreme. In these sectors, all jobs, or a significant number of them, are performed by women. Occupational segregation, in and of itself, would not constitute pay discrimination. But it is coupled with a traditional under-valuing of women's work. Research shows that for every additional percentage point increase, in the participation of women in an occupation, there is about a 42 dollar drop in annual pay for the occupation.

The long-standing combination of occupational segregation and under-valuation of women's work was the impetus for passage of the Pay Equity Act. However, in predominantly female sectors of the economy female jobs will not find male comparators. Recognizing this, the drafters of the Act included subsection 33(2)(e), which mandates the Pay Equity Office to study and recommend how pay equity could be addressed in predominantly female sectors. Subsection 33(2)(e) reads:

The Pay Equity Office shall conduct a study with respect to systemic gender discrimination in compensation for work performed, in sectors of the economy where employment has traditionally been predominantly female, by female job classes in establishments that have no appropriate male job classes for the purpose of comparison (in terms of skill, effort, responsibility and working conditions), and within one year of the effective date, shall make reports and recommendations to the Minister in relation to redressing such discrimination.

1.2 Report to the Minister

In January 1989, a report was presented to the Minister of Labour which identified five options. These were:

1. **Reduction of percentage threshold:** decrease the percentage cut-off for male jobs from 70 percent and/or for female jobs from 60 percent.

2. **Comparators anywhere in the organization:** require a comparator found anywhere within the employer's organization (including different geographic divisions) to be used.
3. **Proportional value comparisons:** determine what the job rate should be in proportion to other jobs for female job classes which do not have a male comparator.
4. **Proxy comparisons:** allow comparisons with jobs found in other organizations.
5. **Average adjustments:** require that a set adjustment be applied to female job classes which did not find a comparator.

The January 1989 Report recommended that each of these options be studied further. It was expected that no one option could serve the diversity of situations which are likely to be found in various public and private organizations in predominantly female sectors.

Criteria were established, in the Report, against which the options could be measured. The criteria were the degree to which each option would:

1. Achieve pay equity for those in predominantly female jobs in the target sector by determining a way of identifying

or approximating any degree of undervaluation, thus creating a means of achieving pay equity within the predominantly female sectors.

2. Minimize incompatibility with existing pay equity initiatives. This criterion would ensure that pay equity for women in predominantly female sectors would be achieved without disrupting the progress of pay equity measures already initiated.
3. Be straightforward but still flexible, keeping administrative costs minimal. It is desirable for solutions to be as uncomplicated and flexible as possible to reduce resistance and to make the process easier, both for those implementing it and for those affected by it.
4. Accurately assess and minimize any possible adverse economic impact. The Ontario economy and its competitive position in international markets should be given careful consideration.
5. Be sensitive to the needs of stakeholders and be seen as a legitimate solution to their problems. The solution must, as much as possible, be both acceptable to the affected employees as well as sensitive to the interests of other stakeholders, notwithstanding that such a balance is not easily attainable.

A further concern was that any option recommended be compatible with the current pay equity process. Thus, any viable options would become additions to the current process. Employers and bargaining agents (where present) would not have to change the pay equity process they have begun in compliance with the Act as it currently stands. Rather, if there are female jobs which do not find comparators, these options would comprise additional steps to achieve and maintain pay equity.

The Report also recommended that the Government consider other initiatives which, although not in the context of the Pay Equity Act, would help address the wage levels of predominantly female sectors of the economy. One proposal was for changes in the Employment Standards Act, such as an increase in the minimum wage, which would positively impact on women, who are more likely than men to work in minimum wage jobs. A second proposal was for increased government funding to the broader public sector. The third proposal was to enhance employment equity efforts. It should be noted that the implementation of pay equity within predominantly female sectors is expected to have positive effects on employment equity since visible minority women work disproportionately in the kinds of jobs found in predominantly female sectors.

1.3 Testing of the Options

Testing of the five options built on the research which was conducted for the January 1989 Report. This first report identified nine sectors of the economy which were potentially predominantly female; since then two other sectors have been added, for a total of 11 sectors, which can be divided into public and private work places:

Public sector:

- Childcare
- Health care
- Community and Social services
- Public libraries
- Educational services

Private sector:

- Apparel and clothing manufacturers
- Other manufacturing
- Financial and insurance
- Personal and business services
- Tourism
- Retail

It is estimated that 541,000 women working in these 11 sectors could benefit from the options discussed in this report. Appendix 1-2 shows the number of men and women working in each of the 11 sectors.

In 1988, research was carried out to determine the nature of women's work within the nine original sectors. Characteristics of each sector were examined, including typical industries and firms, occupations and jobs, human resource policies, compensation

practices, and such pay equity issues as the degree of occupational segregation and the size of the wage gap.

Concurrent with this qualitative research, a quantitative analysis was conducted of data from a random sample of organizations within the sectors. This data covered more than 30,000 jobs and more than 170,000 employees. Information as to the kind of situation faced by most predominantly female organizations was obtained (see Appendix 1-3 for more details). Most predominantly female organizations are small and non-unionized (with the exception of health care and education). In the public sector over 75 percent of the jobs are female predominant, while in the private sector about 60 percent are female predominant (except for "other manufacturing" which is about 50 percent). It is unlikely that most female jobs will find comparators with a few exceptions (e.g., managerial and experienced professional jobs within the private sectors; see Table 1-3B in Appendix 1-3).

The purpose of the 1989 research was to assess the feasibility of the five options within the context of pay equity in Ontario. The terms of reference for the research studies can be found in Appendix 1-4. Eight researchers were hired (see Appendix 1-5 for a listing of the researchers and their backgrounds). The objective was to hire a team of researchers who had expertise in the following:

Compensation

The labour movement

Human resources

Statistics

Experience in predominantly female sectors

Two basic means of testing the options were used. The first were field tests, the second simulations. Field tests involve working with those who would be using the options: employers and unions. They require the preparation of explanatory material to illustrate how an option works. By presenting this information to those who will be required to use it, it is possible to assess whether the option fulfils the criteria established.

Simulations are a means of using existing data to examine the implications of different circumstances. For example, by using the quantitative data base, it was possible to determine the proportion of female, male and gender-neutral jobs found in this sample. These data were then used to determine the number of additional male jobs which would be created if the percentage threshold was reduced to 65 percent, 60 percent and 55 percent.

The primary advantage of simulation is the opportunity to see the effects in a much larger number of situations. Interaction with stakeholders is the primary advantage of field tests. A listing of stakeholders contacted for all the various research projects are listed in Appendix 1-6.

of stakeholders contacted for all the various research projects are listed in Appendix 1-6.

1.4 Outline of This Report

The research which preceded the first Report presented new information on the nature and extent of predominantly female sectors and formed the basis for the development of the five options. It also illuminated the complexity of the issues and the absence of either an obvious or an easy solution. This report is the conclusion to the work begun in the January 1989 Report.

The January Report recommended that the Pay Equity Office, in consultation with its Advisory Committee, look at the parameters for implementation of the five options (see Appendix 1-7; list of Advisory Committee Members). As the research on each of the options was completed, discussions were held with the Advisory Committee. This consultative process was extremely helpful in preparing this report. The Committee has not been asked to either endorse individually or to provide consensus as a whole, on the details of the report.

Chapters 2 to 6 of this report present a discussion of the methodology for each option and the research findings. The first of these two chapters discusses reduction of percentage threshold (Chapter 2) and comparators anywhere (Chapter 3) which would not, the research showed, contribute significantly to the achievement

of pay equity. Chapters 4, 5 and 6 discuss the three recommended options: proportional value, proxy comparison and average adjustment. For each of the options, more than one approach is possible. This is consistent with the self-managed process, which allows employers and bargaining agents (where there is one) to make choices about how to achieve pay equity. The material in Chapters 2 to 6 presents only the basic concepts and research findings. Appendices provide further details.

A study of the options, however, does not present the complete picture. There are three implementation questions which must also be decided: Who should be covered by the recommended options? What should the sequence of options be? And, what should the timing and pay-outs be? (See Chapter 7.) The final chapter provides a summary of this report and its recommendations.

2.0 REDUCTION OF PERCENTAGE THRESHOLDS

Currently the Act defines female job classes as those with 60 percent or more female incumbents, and male job classes as those with 70 percent or more male incumbents. Two additional criteria may affect the determination of female and male job classes: the historical incumbency of men and women in the job class within the employer's establishment, and the gender stereotype of the job class in society in general.

There is a 10 percent differential in the percentage threshold between a female and a male job class because men's participation in the Ontario labour force is approximately 10 percent more than women's. However, men do not participate in greater proportion in predominantly female sectors. Therefore, the rationale for this differential does not hold within these sectors. In some sectors, there could be a greater number of potential male comparators if the percentage cut-off for defining male jobs was reduced to 60 percent.

This option would add a second round to the three-step sequence in the Act; that is, the percentage threshold would be reduced, and then the inside, outside and throughout steps would be repeated for those female job classes that did not find a male comparator on the first round. It is important that the reduced threshold sequence not replace the sequence currently prescribed by the Act,

since a lower percentage cut-off for male job classes is associated with a lower salary. Numerous studies show that as the proportion of men in an occupation decreases, the salary also decreases. Therefore, finding a comparator job class with a lower proportion of men is likely to lead to a smaller pay equity adjustment than would be the case using the original 70 percent cut-off. It should also be kept in mind that a lower percentage cut-off may be used in the current process because of historical incumbency and gender stereotype.

It is also possible to consider reducing the definition of a female job class below the current 60 percent level which may create more female-dominant job classes.

2.1 Means of Testing This Option

Reducing the percentage threshold of male and/or female job classes could help the achievement of pay equity if it increases the actual number of female job classes which find comparators. The number of additional female and male job classes which are likely to be created in predominantly female sectors can be assessed using data from the quantitative study.

Data on 4,000 organizations and 32,000 jobs are contained in this data base. A sub-sample of this data base was used to test the reduction of percentage threshold option. The private sector firms

with fewer than 10 employees were removed, since they are not covered by the Act and account for so few jobs. This left 2,965 organizations for the analysis. With this sample size, it was possible to gain a good indication of the potential of this option by simulating the number of additional male jobs created.

Simulation makes it possible to identify the number of male jobs that would exist if the percentage cut-off for male jobs is set at 65 percent, 60 percent, and 55 percent of male incumbents. By comparing the number of male jobs at each cut-off to those found at the current 70 percent cut-off, it is possible to determine the proportion of additional male jobs created. For female jobs, a cut-off of 55 percent was examined and compared to the 60 percent currently required in the Act.

Gender-neutral jobs are defined as jobs that are neither female nor male predominant. It is these gender-neutral jobs that can potentially be re-defined as male (or female) jobs by reducing the percentage threshold.

2.2 Identification of Proportion of Gender-Neutral Jobs

Table 2-1 shows the proportion of female, male, and gender-neutral jobs in this sample. For the purpose of assessing this option, the proportion of gender-neutral jobs is the most informative

column, since reducing the percentage threshold involves re-defining some of the gender-neutral jobs into male jobs.

In each table in this chapter some numbers may differ due to rounding.

TABLE 2-1
PROPORTION OF FEMALE, MALE, AND GENDER-NEUTRAL JOBS

	<u>Female jobs</u>	<u>Male jobs</u>	<u>Gender-neutral jobs</u>
<u>Public sector</u>			
Childcare	93%	6%	1%
Hospital	72	25	3
Health care	87	11	2
Community/social	77	17	5
Libraries	87	12	1
<u>Private sector</u>			
Apparel manufacturing	54%	39%	7%
Other manufacturing	43	49	8
Retail	59	35	7
Personal services	51	37	11
Tourism	49	39	12

An extremely low proportion (1 to 3 percent) of the jobs are gender-neutral in childcare, libraries, health care, and hospitals. Since changing the percentage threshold could have virtually no impact on the number of additional male jobs, these sectors are not discussed further.

In community and social services only 5 percent of the jobs are gender-neutral; this is still low. This means if all the gender-

neutral jobs in this sector were re-defined as male jobs (an unlikely situation), only 155 additional jobs in this sample of 419 organizations would become potential male comparators. (See Appendix 2-1 for the number of organizations, jobs, and employees in each sector of the quantitative study data base.) It appears the reduction of percentage cut-off for male jobs is not a useful option in any of the public sectors. The community and social services sector, which has 5 percent gender-neutral jobs, is examined in more detail in the following section to ensure that further dis-aggregation of the data does not lead to a different conclusion.

In the private sector, the proportion of gender-neutral jobs ranges from 7 percent in apparel and retail to 12 percent in tourism. Further analysis is needed to determine if reducing the percentage threshold will have a significant effect.

2.3 Proportion of Male Jobs at Various Percentage Thresholds

The potential effect of reducing the percentage threshold can be assessed by looking at the proportion of male jobs that would be available at various percentage cut-offs, and comparing these to a cut-off of 70 percent. Table 2-2 shows this for the five private sectors and for the community and social services sector.

TABLE 2-2

PERCENTAGE OF MALE JOBS AT VARIOUS PERCENTAGE CUT-OFFS
 (The cumulative proportional increase is given in parenthesis)

	Percentage threshold for male jobs			
	<u>70%</u>	<u>65%</u>	<u>60%</u>	<u>55%</u>
Community/ social services	17.3%	17.9% (.6)	18.2% (.9)	18.6% (1.3)
Apparel	39.1	40.8 (1.7)	41.5 (2.4)	41.9 (2.8)
Other manu- facturing	48.7	51.1 (2.4)	51.9 (3.2)	52.2 (3.5)
Retail	34.7	36.4 (1.7)	37.0 (2.3)	37.2 (2.5)
Personal services	37.3	40.1 (2.8)	41.6 (4.3)	42.4 (5.1)
Tourism	38.6	41.4 (2.8)	42.7 (4.1)	43.5 (4.9)

Table 2-2 shows that if the percentage cut-off for male jobs was equalized with that for female jobs (at 60 percent) that between about 1 percent to 4.3 percent additional male jobs would be available as potential comparators in the various sectors. At a cut-off of 55 percent male incumbents, male jobs would increase from 1.3 percent to 5.1 percent.

From Table 2-2, the reduction of percentage cut-off does not appear to be a viable option for community and social services, retail, and apparel manufacturing. In these sectors, even if male jobs were defined as those with 55 percent male incumbents, less than

3 percent additional jobs would be added as potential comparators. This would mean an additional 41 male jobs in 419 agencies in the community and social services sector, 53 jobs in 274 retail outlets, and 70 jobs in 281 apparel firms. In three sectors only -- other manufacturing, personal services and tourism -- reducing the percentage threshold for male jobs might be useful. Table 2-2 shows that an additional 3.5 percent to 5.1 percent of male jobs could be created.

2.4 Additional Male Jobs Within Hierarchical Levels

It is not sufficient to just increase the proportion of male jobs. To serve as a comparator, a male job must be of equal or comparable value to a female job. For example, a female job of file clerk will not find a comparator if lowering the percentage threshold makes supervisors a male-dominated job.

While data from the quantitative study do not provide information on the value of jobs, they do provide a means of approximating value. Jobs were assigned to one of eight hierarchical levels (the definitions for each hierarchical level are found in Appendix 2-4). The levels are the following:

Managerial

Supervisory

Experienced professional

Entry-level professional
Semi-professional and technical
Skilled (blue and white collar)
Semi-skilled (blue and white collar)
Entry-level (blue and white collar)

It is most likely that jobs in the same hierarchical level or in adjacent hierarchical levels will be of equal or comparable value. To further assess the potential of this option, it is necessary to look at the proportion of male jobs that would be created within each hierarchical level.

Appendix 2-1 provides tables (2-1A to 2-1H) showing the results of reducing the percentage thresholds in the three industries where this maybe useful: other manufacturing, personal services, and tourism. The tables show, for each of the eight hierarchical levels, the proportion and number of female jobs as defined under the Act (60 percent female incumbents) and the proportion and number of male jobs with 70, 65, 60, and 55 percent male incumbents. In addition, the cumulative increase in the number of male jobs within the sector is given for each percentage cut-off below 70 percent.

Managerial (Table 2-1A)

At the 70 percent cut-off, there are significantly more male managerial jobs than female managerial jobs in the three sectors.

Supervisory (Table 2-1B)

In the manufacturing and personal services sectors there are more male supervisory jobs at the 70 percent cut-off than there are female supervisory jobs. Within tourism there are 120 female jobs compared to 82 male jobs. Decreasing the cut-off to 55 percent would only add 13 jobs within the entire tourism sector.

Experienced professional (Table 2-1C)

At the 70 percent cut-off, there are more male jobs than female jobs in other manufacturing and tourism, and almost as many in personal services (106 female jobs compared to 98 male jobs).

Entry-level professional (Table 2-1D)

There are more male jobs than female jobs in manufacturing at the 70 percent cut-off. However, in personal services and tourism, there are more female than male jobs. In personal services there are 40 female jobs and 34 male jobs. Lowering the percentage threshold to 60 percent would result in 39 male jobs. In tourism there are only 29 male jobs (at 70 percent cut-off) compared to 40 female jobs. Lowering the percentage cut-off to 55 percent would only increase the number of male jobs by three.

Semi-professional and technical (Table 2-1E)

In manufacturing and tourism, it is possible for each female job to find a comparator. This may not be true in personal services

where there are only 50 male jobs for the 62 female jobs. Reducing the threshold to 55 percent would add 10 jobs.

Skilled, semi-skilled and unskilled blue and white collar

(Tables 2-1F, 2-1G and 2-1H)

In none of the three sectors are there as many male jobs as female jobs, but this is not significantly changed by lowering the percentage threshold. There are three exceptions: 39 additional male jobs are created in the manufacturing sector for skilled jobs, 31 in tourism for semi-skilled jobs, and 50 in tourism for entry-level jobs.

In summary, these analyses show that, in most instances, the additional number of male jobs created is not large, with the following exceptions: skilled jobs in manufacturing, and semi-skilled and entry-level jobs in tourism. These three instances occur out of a possible 24 (eight hierarchical levels in three sectors) opportunities for male jobs to be increased.

2.5 Analysis of Homogeneity Within Each Sector

It appears, from the above analysis, that reducing the percentage threshold for male jobs will not contribute much to the achievement of pay equity. To make absolutely sure this is the case, it is useful to assess whether the aggregate statistics -- looking at

each sector as a whole -- have masked situations where this option would be feasible.

The percentages reported to this point have reflected the total sector. Table 2-3 shows both means (or average) of the percentage of gender-neutral jobs in each sector as well as the standard deviations of the percentage of gender-neutral jobs on a firm-by-firm basis, in each sector. The means are based on calculating the percentage of gender-neutral jobs for each organization and then taking an average percentage for the sector as a whole. The standard deviation provides an indication of the homogeneity found within a sector. The standard deviation measures how much variance or deviation there is among the organizations within a sector. The smaller the standard deviation, the more similar (homogeneous) are the organizations within the sector. The more homogeneity within a sector, the more the mean reflects what is found in each organization. For example, two sectors could have the same average means -- 50 percent gender-neutral jobs. In one sector this could be the average of 48, 50 and 52 percent while in another sector it could be the average of 20, 50 and 80 percent. The first sector is more homogeneous. In Table 2-3, a standard deviation of 20 percent would indicate heterogeneity.

TABLE 2-3

**MEANS AND STANDARD DEVIATIONS OF THE PROPORTION
OF GENDER-NEUTRAL JOBS WITHIN EACH SECTOR**

	<u>Mean</u>	<u>Standard deviation</u>
<u>Public sector</u>		
Childcare	1.0%	4.3%
Hospitals	5.0	11.2
Health care	2.0	6.3
Community & social	5.1	11.0
Libraries	.9	3.5
<u>Private sector</u>		
Apparel	7.4	10.7
Other manufacturing	9.3	11.4
Retail	7.8	12.2
Personal services	13.0	18.0
Tourism	14.0	14.8

In childcare, health care, and libraries there are very few gender-neutral jobs. This is true for all the organizations within the public sectors. Even in hospitals, and community and social services organizations, there is not a great deal of variation among organizations within the sector.

While there is more variation among the private sector organizations, it is still not sufficiently large to warrant the search for sub-sectors which might gain from this option.

It appears that reducing the percentage threshold for male jobs will not have much of an impact in any sector.

2.6 Reducing the Percentage Threshold for Female Jobs

Lowering the percentage threshold of women's jobs could provide more women with the opportunity to compare their jobs to a male job. Again, the low proportion of jobs which are gender neutral (see Table 2-1) means there are few jobs which can be re-defined as female. This is particularly true within the public sector. Table 2-4 presents the proportion of female jobs which exist when 60 percent; and 55 percent are used as the percentage threshold for defining female jobs. The table includes only those sectors which have at least 5 percent gender-neutral jobs.

TABLE 2-4

PROPORTION OF FEMALE JOBS AT VARIOUS PERCENTAGE THRESHOLDS
 (Cumulative increase in percentage is given in parenthesis)

	<u>Percentage threshold for female jobs</u>	
	<u>60%</u>	<u>55%</u>
Community/social services	77.3%	78.0% (.7)
Apparel manufacturing	53.5	53.8 (.3)
Other manufacturing	43.1	43.6 (.5)
Retail	58.6	59.0 (.4)
Personal services	51.5	52.1 (.6)
Tourism	49.0	49.8 (.8)

The cumulative increase shown in Table 2-4 indicates that less than 1 percent additional female jobs are created in each sector when the threshold is lowered to 55 percent.

2.7 Conclusion

The research shows that the option of reducing percentage thresholds is unlikely to significantly increase the number of female jobs that will be matched with male comparators in any of the sectors. This is particularly true because of the current requirement to use the historical incumbency and gender stereotype

criteria when determining gender predominance. Job classes which have less than 70 percent male incumbents (or 60 percent female incumbents) can currently be defined as male (or female) job classes on the basis of these other two criteria.

3.0 COMPARATORS ANYWHERE IN THE ORGANIZATION

The Pay Equity Act allows organizations to pay different salaries in different geographic locations, thereby recognizing regional disparities in compensation. This is accomplished by dividing organizations into establishments that exist in different geographic locations. The geographic locations correspond with counties or regional municipalities. Female job classes seek comparators within their own establishment: that is, the search sequence (inside the pay equity plan, outside the pay equity plan, and throughout the establishment) takes place within the one establishment.

Some female job classes without male comparators in their establishment will have potential comparators in another establishment of their employer. The option of "comparators anywhere in the organization" (in Ontario) would allow comparisons to be made across establishment boundaries, while still allowing geographic salary differentials to be maintained.

Once the current sequence of "inside, outside, and throughout" the establishment is exhausted, a female job class that did not find a comparator would be able to look in other establishments of the same employer -- the "anywhere" step. This step would involve two sub-steps: first, looking for a comparator job class of equal or comparable value and second, looking for a lower-valued, higher-paid male job class.

The means of equalizing compensation would have to change when using this option, the adjusted process could mirror the requirements for using a permissible difference such as "temporary skill shortage". The organization would indicate the wage differential it maintains between its different locations. The female and male job rate would be equalized except for this differential.

The geographic wage differential could be easily documented if the same jobs (in terms of job content) are performed in different geographic locations. The organization would determine the average job rate for a number of female, male, and gender-neutral job classes in each different location.

The following four conditions must exist for this option to be viable:

1. The employer operates in more than one geographic area; and,
2. A female job class has no comparator within its establishment; and,
3. There is a male comparator in another geographic location; and,
4. The employer and bargaining agent (where present) have defined different geographic locations as separate establishments.

Since all four of these conditions need to be present for this option to be feasible, each predominantly female sector was examined to determine if one or more conditions cannot be fulfilled.

3.1 Public Sector

The four conditions are unlikely to occur in predominantly female work places within the public sector. The first condition is that the employer operates in more than one geographic area. This condition will never be fulfilled by public libraries nor by boards of education that are associated with a municipality or county. Hospitals also tend to operate within a single geographic location.

Many social service agencies only operate within a single geographic area, with some exceptions (e.g., Red Cross). Most childcare agencies would not fulfill the first condition; however, chains of childcare agencies might do so.

Some public sector organizations, such as health care facilities (e.g., chains of laboratories), some social service agencies, and chains of childcare agencies, may be able to fulfill the first two conditions but are unlikely to fulfill the third: that there be male comparators in one establishment not found in the other. This is because each establishment will have the same kinds of jobs. For example, though a nursing home chain may operate homes in

different geographic areas, it is unlikely there will be a male comparator job in one home not found in another. Furthermore, "gender stereotype", as one of the criterion in the Act for determining gender predominance, contributes to the improbability of the third condition being fulfilled. Gender stereotyping means that those jobs generally considered "women's jobs" and generally done by women, are indeed considered women's jobs for the purposes of the Act. Unlike the other two criteria (historical incumbency and percentage cut-off), which are applied only within each establishment, the gender stereotype criterion is applied throughout the province. This makes it even more unlikely that, in the public sectors, male comparators will be found in one establishment that are not found in another.

3.2 Private Sector

There is a greater potential for this option to be viable within the private sector. Four sectors were studied: manufacturing, including leather, textile, and apparel manufacturing; retail; tourism; and personal services. Industries within each sector were examined with respect to the proportion of female employees, and the size of the organizations. These two factors provide an indication of whether it is likely that either of the first two conditions will be present.

It should be noted that within the private sector, corporate structure can be quite complex. It is possible for some employers

to operate in more than one sector due to vertical integration or conglomerate structure. The Pay Equity Act does not provide guidance as to how "employer" should be defined in such circumstances. It is likely that different organizations will make different decisions based on their particular situation. (Unfortunately, this cannot be discerned from the data.)

With respect to the first condition -- that the employer operate in more than one geographic area -- the following assumption is made. It is expected that there is a positive relationship between the number of employees and the likelihood that an organization is operating in more than one geographic area. Organizations with fewer than 50 employees are unlikely to be operating in more than one geographic location. Little, however, can be assumed about organizations with more than 50 employees since single or multiple sites are possible. Also, a firm could have more than one address and still operate in one geographic area (e.g., within the same county), as defined under the Pay Equity Act.

With respect to the second condition -- that a female job class has no comparator within the establishment -- both the size of the organization and the proportion of female jobs provide information. Table 3-1 shows the proportion of male jobs found in organizations of different sizes, based on data from the quantitative study. A greater proportion (13 percent) of organizations with 10 to 99 employees have no male jobs compared to the 5 percent of large organizations with no male jobs. Since these organizations are

highly female-predominant, it is likely each male job class will be a comparator for at least one female job class. It is possible, however, for an organization to have male job classes that are lower paid than any female job class or male job classes that are of higher value than any female job class. As the number of male jobs increases, it becomes increasingly likely that at least some will be comparators. While large organizations have a greater number of male jobs, over half of the organizations with 10 - 99 employees have at least three male jobs.

TABLE 3-1
NUMBER OF MALE JOBS BY ORGANIZATION SIZE

	<u>10 - 99 employees</u>	<u>100 or more employees</u>
<u>Number of male jobs</u>	<u>Percent of Firms</u>	<u>Percent of Firms</u>
0	13	5
1 - 2	36	14
3 - 5	34	27
6 - 9	13	23
> 10	4	31
	<u>100%</u>	<u>100%</u>

Furthermore, it is assumed that when female employees account for 50 percent or less of the labour force in an industry, then male comparator jobs are likely to be found for at least some of the female jobs. While this does not mean that the second condition is not fulfilled -- since there still could be one or more female job classes that did not find a comparator -- it means that other options (e.g., proportional value) are also likely to be viable.

Where there is over 50 percent female concentration, especially when it approaches 60 percent or more, male comparator jobs may not exist because females constitute the majority of the workers. If male employees are present they are not likely to be appropriate male comparators, since they are apt to be found in female jobs or possibly in the jobs of highest value in the organization.

It is impossible to statistically determine the third condition: that there be a male comparator in another geographic location. Sometimes it is possible to make suppositions, however. For example, a firm making dresses is likely to require the same skills (e.g., cutting, sewing, pressing) at all its locations. In this case, it would be unlikely to find a new male comparator in another location.

There is no way to assess the probability of the fourth condition being met -- whether the employers and bargaining agents have defined different geographic locations as separate establishments; so nothing is said about this.

In the remaining sections of this chapter, the manufacturing sector, the textile and apparel manufacturing sector, and the retail sector, are each discussed in more detail. Figures used below are from the sectoral reports published in concert with the first Report to the Minister.

(1) Manufacturing Sector

On average, less than 9 percent of Ontario's manufacturing firms appear to operate in more than one geographic location. A sampling from Scott's Directories, Ontario Manufacturing, 1988-1989 was conducted to ascertain how many manufacturing firms operated in more than one geographic location. Every twentieth page in the section that listed manufacturing alphabetically in each community was examined. The number of firms that had more than one plant, branch, or office location were noted.

This 9 percent figure indicates that this option cannot significantly contribute to the achievement of pay equity in the manufacturing sector. If only 9 percent of the firms fulfill the first of the four conditions, a smaller proportion would fulfill all four.

What is the likelihood of finding male comparators within manufacturing establishments? In manufacturing, employees are classified as production and related workers (production workers) or administration, office, and non-manufacturing employees (administration employees). Comparators could be found within the same types of work (production to production; administration to administration) or across the two (production to administration). However, if there is a small proportion of male administration employees, it is likely they are in managerial jobs -- which are less likely to be comparators for plant jobs. If female employees

are predominant in both production and administration, it is less likely that male comparators will be found. Appendix 3-1 provides a more in-depth analysis. Overall, male comparators are likely to be found within most female-dominant manufacturing establishments. In conclusion, male comparators are likely to be found somewhere in the organization in most female-dominant manufacturing industries.

(2) Textile and Apparel Manufacturing Sector

The "comparator anywhere" option is not likely to be a workable alternative for this sector, since a large proportion of the predominantly female organizations have less than 10 employees. They are, therefore, unlikely to operate in more than one geographic area. Furthermore, the larger predominantly female organizations will probably have similarly structured labour forces in all their establishments.

Overall, firms with more than 50 employees account for less than 26 percent of the establishments in leather, 17 percent in textiles, and 19 percent in apparel. These organizations could be operating in more than one location. However, if a male comparator exists at all, it would probably be found within each establishment, as the workforce within each is likely to be identical. Thus, the number of organizations that the "comparator anywhere" option would apply to is minimal.

(3) Retail Sector

The "comparator anywhere" option is unlikely to alleviate the lack of male comparators in the retail sector. Less than 10 percent (27,491) of the female employees in this sector are in firms that are predominantly female and large enough to possibly operate in more than one geographic area, i.e., have greater than 50 employees.

In 1987, 84 percent (52,716) of the firms within this sector had less than 10 employees; 11 percent (6,433) of the firms had 10 to 19 employees. Although there may not be male comparators within single establishments, firms of this size are unlikely to operate in more than one geographic location. Five percent (3,733) of retail organizations had 20 to 99 employees.

Only 0.6 percent (332) of retail firms had more than 100 employees; however, more than half of the female labour force was employed in firms of this size. These larger firms also could be operating in a number of different geographic areas. It is also possible they could have different jobs in different locations. For example, larger firms would be able to operate a warehouse in one geographic area, and retail outlets in other geographic areas; although, it is more likely the warehouse operation would be near -- and possibly in -- the same geographic location as at least some of the retail outlets, to minimize transportation costs. However, when the retail outlets are in different geographic locations than the

warehouse, it is likely that regional rates would be paid. In this case, the fourth condition -- that the different locations be considered separate establishments -- will probably hold. Therefore, the "comparator anywhere" option could create a few additional male job classes within some large retail operations.

To identify which industries might have separate warehouse operations, it is necessary to look more closely at where women actually work. Table 3-2 sets out the retail industries with the largest concentration of female employees, and notes the number of females in organizations of different sizes. It shows that over 78 percent of all female employees are found in twelve industries, but in only seven of these is there more than a 50 percent concentration of female employment: general merchandise, women's clothing, florists, cloth and yarn, drug stores, tobacconists and jewellery stores. Of these it is likely that general merchandise, women's clothing, cloth and yarn, and drug stores would have separate warehousing operations.

TABLE 3-2
Number of Female Employees In Retail Industries

Industry	Total	O R G A N I Z A T I O N S				
		with >500	with 100-500	with <5	with 5-10*	with 10-50
General merch.	105,600	96,518	3,168	2,323	897	1,848
Food stores	70,400	42,240	5,139	7,392	4,048	9,046
Women's clothing	26,752	9,363	4,147	3,050	2,635	5,631
Drug stores	21,472	4,938	837	1,718	4,123	8,911
Cloth & yarn	14,784	4,583	2,114	2,262	1,449	2,735
Jewellery stores	7,744	-	867	1,316	871	1,800
Shoe stores	7,392	3,474	1,175	917	462	898
Motor vehicle dealers	6,336	-	1,153	-	710	2,458
Hardware stores	4,928	-	-	1,478	1,010	1,646
Florist	4,224	-	-	1,681	1,005	1,005
Motor vehicle repair	3,872	-	97	1,460	753	1,125
Tobacconists	1,408	-	-	377	108	108
TOTAL	274,912	161,116	18,697	23,974	18,071	37,211

* Calculated using an estimate, i.e., 50 percent of the total number of employees in firms with 5 to 19 full-time-equivalents. However, since it is unlikely that these employers operate in more than a single location, they are not of concern in assessing this option.

Source: Calculated from "Pay Equity in Predominantly Female Establishments: Retail Sector", Table 3 - Percentage Distribution of Female Employment by Industry Division and Firm Size, Ontario Retail Sector, 1983.

(4) Tourism Sector

The "comparator anywhere" option will probably not be workable in this sector for a number of reasons. First, the majority of firms in all industries have fewer than 10 employees and are, therefore, not covered by the Act. Most women working in this sector work in firms of this size. Second, only a minority of the firms have more than 50 employees. Therefore, few firms are likely to operate in more than one geographic location. Third, the staff composition of these larger firms is identical no matter what geographic location they operate in. Finally, in firms with greater than 50 employees, the proportion of male to female employees is balanced; therefore, there is a higher probability that male comparators can be found.

The only exception to the above is the restaurant industry which is likely to have a higher proportion of females than males in organizations operating outside Toronto. In contrast, firms operating in Toronto will likely have either a higher concentration of male employees, or equal representation. Female employees in the predominantly female establishments operating outside Toronto could be compared to male comparators in establishments operating in Toronto. However, the number of organizations this would apply to is minimal, since only 4 percent of restaurants employ 50 to 99 people, and less than 2 percent have over 100 employees.

More details about the components of the tourism sector -- the travel industry, the accommodation and food industry, the cultural industry, and attractions -- are provided in Appendix 3-1.

(5) Personal Services Sector

The "comparator anywhere" option is not likely to be of assistance to many female employees in this sector. In 1988, over 86 percent of the businesses had less than 10 employees, and were not covered by the Act. Furthermore, from 1976 to 1984, the number of firms with less than 20 employees increased, while the opposite occurred for firms of every other size. Therefore, employment increase occurred in firms where the "comparator anywhere" option will not be of assistance. Only 0.2 percent of the firms had more than 100 employees in this sector. Therefore, few would be large enough to operate in more than one geographic location.

The personal services sector provides services to meet individual human needs, and are found in the consumer services sector of the Ontario economy. Examples not discussed elsewhere include barber shops and beauty salons, drycleaners and laundries, and leisure services such as sports clubs and cinemas. In 1984, there were 17,639 firms and 45,000 employees in the personal services sector. Generally in this industry, the products are for personal use; the majority of businesses are small; the majority of jobs are relatively low-skilled; the wages are low; and the majority of workers are female.

In many organizations, there will be few if any male comparators. However, the "comparator anywhere" option will not address the lack of male comparators. It is unlikely that, even where there are operations in different locations, there will be any difference in the structure of the workforce.

3.3 Conclusion

This option is highly unlikely to contribute significantly to the achievement of pay equity within public sector organizations. While in the private sector it is theoretically possible for the four conditions to be present, it does not appear that this is the case in the vast majority of organizations. The exceptions are some large retail organizations, and some restaurant chains that operate both in and outside of the Toronto area. It is likely that the internal average adjustment approach, discussed in Chapter six could be used to determine pay equity adjustments within the retail sector.

4.0 PROPORTIONAL VALUE COMPARISON

The proportional value approach is a viable option for calculating pay equity adjustments for female job classes without comparators. This approach is presently used to address pay equity in Manitoba, Prince Edward Island, and New Brunswick.

There are different ways to achieve proportional value, and they differ in complexity. Employers and bargaining agents (where present) can select the one that best fits their circumstances. Three possible approaches are discussed, from the simplest to the more complex.

The first approach allows female job classes that did not find comparators to receive adjustments proportional to those received by female job classes that did find comparators. The second approach requires that the value of male and female job classes be expressed in points. By using simple arithmetic, it is possible to determine the relationship between the point value and the wages. This is referred to as the formula approach. The most complex approach involves drawing a wage line. All three approaches are based on the relationship between the value of male job classes and the current salary rates of those male job classes.

The final section of this chapter outlines the field tests that were conducted to test-pilot explanatory training material

developed by the Pay Equity Office. There was never any question as to whether this option would allow the identification of equitable salaries for female job classes that would not otherwise find comparators. Rather, at issue is the complexity of the formula and wage line approaches. Therefore, the field test focused on developing and testing explanatory material that would enable employers and bargaining agents to use these two approaches.

4.1 Proportional to Other Female Job Classes

This approach is the simplest, and can be used with any gender-neutral job comparison system. It works by providing a pay equity adjustment to any female job class without a comparator in proportion to the pay equity adjustment of female job classes that did find comparators. Unlike the other two proportional value approaches, this one requires that there be some female job classes with comparators.

There are many ways this approach might be carried out, depending on the circumstances within a particular pay equity plan or establishment.

For example, assume that there are three female job classes within a pay equity plan, and that the lowest and the highest find male comparators using proportional value, the middle would receive a pay equity adjustment that maintains its same proportional value to the other two female job classes. After the salary of all three

job classes are adjusted, they have the same relationship to each other as they had before pay equity adjustments. Assuming that before pay equity the differences in the three salaries reflected the value of the three job classes, then these differences have been maintained and pay equity has been implemented.

This approach is somewhat analogous to the "group of jobs" approach allowed in the Act currently. However, the "proportional to female job classes" approach is not restricted to a job series; nor is the pay equity adjustment of the single representative job class in the series used to determine the pay equity adjustment for all job classes in the series. Rather, the pay equity adjustments are provided to female job classes without comparators such that they maintain their previous relationship to the other female job classes with comparators.

This approach, in fact, has been used by some employers and bargaining agents who have gone beyond the strict requirements of the Act. In such situations, the more complex proportional value approaches would not be required to determine the amount of the pay equity adjustment.

4.2 Formula Approach

In order to use the formula approach, it is necessary to express the value of the male and female job classes in points. A simple calculation is then used to determine the average dollar value of

each point -- i.e., "dollars per point \$/point" -- for male job classes. The equitable salary for each female job class is then determined by multiplying the "dollars per point" by the points assigned to each female job class.

A gender-neutral comparison system is used to determine the point value (sometimes called point-factor value) for both the female and male job classes. While point-factor evaluation systems are more complex than some other methods, many small organizations within the public sector chose to utilize them for pay equity purposes.

A second requirement of the formula approach is that there be at least three male job classes in the pay equity plan or in the establishment. This is necessary to ensure that the average "dollars per point" for male job classes reflects a range of male jobs. Further information on the formula approach is provided in Appendix 4-1.

The pilot explanatory material used to test the formula method is very straightforward. The materials provide blank charts like those found in Appendix 4-1, which can be completed by the employer or bargaining agent, or both. The material explains each of the calculations required. Completion of steps provides the information necessary to make the pay equity adjustments. The formula approach would be appropriate for both small and large employers.

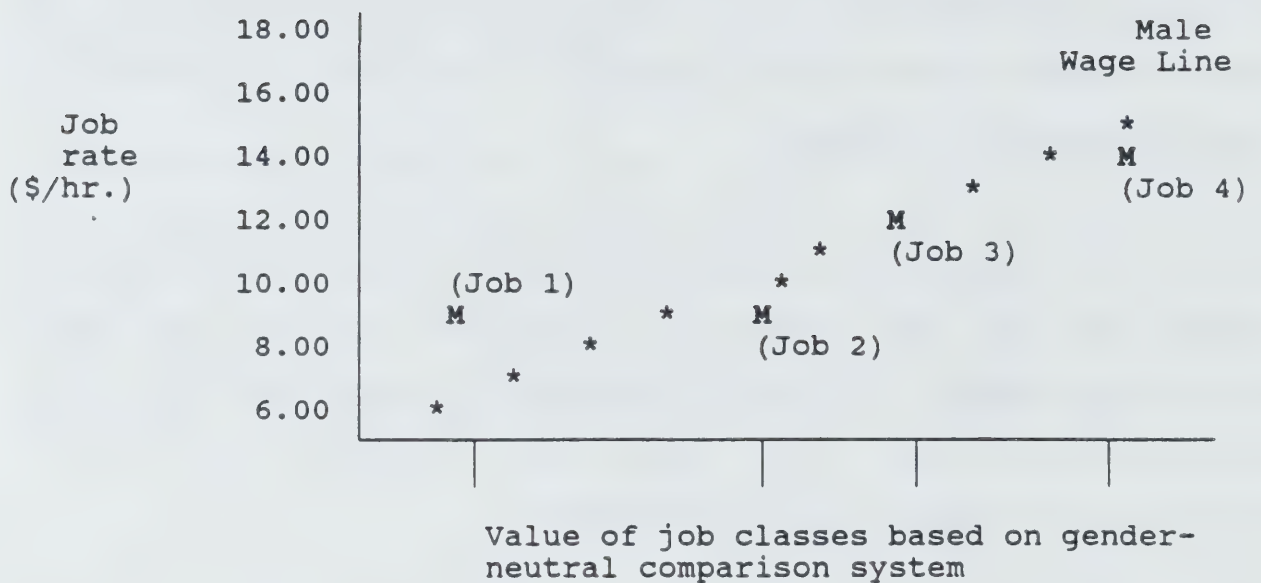
4.3 Wage Line

Unlike the formula, a wage line can be used with both the rank and classification systems of job comparison. When job comparison is done by point values either approach can be used, although the formula approach is easier.

A wage line is drawn on a graph. The line shows the relationship between how male job classes are valued, and how they are paid. Female job classes can then be compared to the male wage line. The comparison will show if the female job classes are paid fairly based on their value to the organization.

Figure 4-1 illustrates a wage-line. The vertical axis shows the job rate; the horizontal axis shows the values of job classes based on a gender-neutral comparison system. The job rate and value of each male job class (M) is plotted on the graph. A straight line (shown with *'s) is drawn such that the distance of all the M's from the line is minimized. In all cases, some of the M's will be above the line and others below. Appendix 4.2 provides detailed information on how to draw a wage line.

FIGURE 4-1
EXAMPLE OF A WAGE LINE



In most organizations a single wage line will be drawn, but in some organizations there are actually a number of wage lines associated with different hierarchical levels. Appendix 4-3 discusses this issue and others of relevance to employers who routinely use wage lines in compensation practices.

Wage lines (and to some extent the formula approach) have been used in the compensation field for a long time. In compensation, all jobs -- female, male, and gender-neutral jobs -- are used to develop a wage line. However, when developing the wage line for pay equity purposes, only male job classes are used. This is consistent with the requirements in the Act that female job classes be matched with male job classes.

In compensation practice, the wage line is based on either the mid-point of a salary range or on the actual salaries of incumbents. For pay equity purposes, the wage line is based on the job rate for male dominated job classes. "Job rate" refers to the highest rate of compensation including salaries, wages, and benefits. It is possible to use the formula or wage line using just the salary job rate and to handle the issue of benefits separately. However, total compensation, including both salary and benefits, must be equalized for female and male job classes.

Proportional value comparisons require the presence of some male job classes. This raises the question of just how many male job classes are needed to carry out an accurate proportional value comparison. Research (discussed in Appendix 4-4) showed that it is necessary to have either:

- (a) at least three male job classes spread over the range of job values, or
- (b) at least six male job classes.

4.4 Development of Explanatory Material

While wage lines have been used within the compensation field for decades, they tend to be utilized primarily by larger organizations. Thus, the main concern in proposing the use of the proportional value approach is the need to educate potential users

on how to implement the wage line or formula. While guidelines may be needed for the first approach -- proportional to other female job classes; it is straightforward enough not to require the field testing of explanatory materials.

The development of these materials was assigned to two researchers. One had compensation expertise, and the other was totally unfamiliar with the wage line and formula. It was felt that this combination would ensure training materials free of jargon and basic enough for those unfamiliar with proportional value.

Since the material was designed primarily for smaller establishments and unions with little or no compensation expertise, the more complex issues discussed in Appendix 4-3 -- multiple wage lines, the shape of the wage line -- were ignored. Therefore, the explanatory material was designed to produce a single, linear wage line. The information on wage lines in Appendix 4-2 is from the training material. The training material, in addition, includes exercises and examples for each step.

After the explanatory material was developed, it was field tested. An attempt was made to involve both employers and bargaining agents in the public and private sectors in the testing. It was difficult, however, to get cooperation from private sector employers. The material was tested by the following organizations:

- o a number of unions including the:
Ontario Federation of Labour (OFL),

International Ladies' Garment Workers' Union (ILGWU),
Canadian Union of Public Employees (CUPE),
Association of Allied Health Professionals (AAHPO),
Canadian Brotherhood of Railway Transport and General
Workers (CBRT), and
Service Employees International Union (SEIU);

- o two medium-sized hospitals outside Toronto;
- o a small private sector garment industry in Toronto;
- o a multi-service community centre in the north;
- o several social service agencies throughout Ontario; and
- o a large private sector company in Toronto.

The material was also discussed with numerous others in the public sector who had been contacted about the proxy comparison approach.

The findings were consistent in that the formula approach was considered easier. Comments on the wage line approach ranged from "overly simplistic" to "difficult." Some of those with little or no compensation experience found it straightforward and easy to use, while some with compensation experience found it cumbersome. Suggestions were made for making the material more "user-friendly".

As noted earlier, the formula approach can only be used with the point system of job comparison. It has been the position of the Pay Equity Office that pay equity is a self-managed process and, thus, employers and bargaining agents (where present) are free to select any comparison system which is free of gender bias. However, it is appropriate to inform employers and bargaining agents using the proportional value approach, that it will be easier to use a point value system, so that they can then use the

formula rather than the wage line. The other alternative -- the "proportional to other female job classes" approach -- can be used with any gender-neutral comparison system.

Since some employers and bargaining agents could still choose a ranking, classification or other non-point system, it will be necessary to make available the explanatory material on how to draw a wage line.

No specific means of determining proportional value between female job classes was tested, since the appropriate means will be situation specific. It may be derived from the gender-neutral comparison system; it could depend on whether current pay differentials between jobs are expressed in percentage or dollar terms.

4.5 Conclusion

The proportional value approach is a viable option for achieving pay equity in organizations that have some male job classes. This is likely to occur in most of the predominantly female private sectors. It is estimated that 80 percent of those in the private sectors who could benefit from these options will benefit from proportional value. In the public sectors it is estimated that proportional value will benefit 60 percent of those who could potentially benefit from these options. Proportional value will work in educational institutions, hospitals of any size, some

social service agencies, and a few very large libraries. It is not a workable option in childcare agencies, many social services agencies, many health care organizations other than hospitals, and many libraries.

It is useful to look at this option in terms of the five evaluative criteria outlined in the first Report to the Minister. In terms of the primary criterion -- achieve redress for those working in under-valued female jobs in predominantly female sectors -- the proportional value option is likely to be able to bring redress for the majority of those working in predominantly female sectors (70 percent in total; 80 percent in the private sectors and 60 percent in the public sectors).

The second criterion is to minimize incompatibility with the existing pay equity process. However, it is expected that each of the options will differ from some of the principles of the existing Act.

The principles, as outlined in the Pay Equity Act, are that pay equity:

1. Occurs within establishments of a single employer,
2. Requires the matching of female job classes with male job classes of equal or comparable value (or which are lower valued, higher paid),

3. Values jobs in terms of skill, effort, responsibility, and working conditions, and
4. Compensates female job classes fairly in relationship to their value compared to male job classes.

Proportional value only differs from the second principle: the requirement to match female and male job classes. The proportional value approach either pays female job classes proportional to other female job classes, or matches a female job class with the job rate that would be provided if there was a male job class of the same value.

The third criterion is that the option be understandable, flexible, and simple to administer. Considerable flexibility is provided by the availability of at least three different approaches to proportional value. The first approach -- proportional to other female job classes -- is both flexible and easy to administer. It is also easy to understand both by those implementing it and by those who are affected by it. The formula approach is also relatively easy to carry out when employers and bargaining agents have appropriate explanatory materials. The wage line approach is not as easily understood nor as administratively simple for those who have no experience with this technique. However, this approach

need only be used by those who are either familiar with wage lines or who choose not to use one of the other two approaches.

The proportional value options minimize adverse economic impact -- the fourth criterion -- by minimizing potential job dislocations within the organization. A job dislocation happens when, for example, a lower-valued female job class receives a higher job rate than a higher-valued female job class, after pay equity adjustments. Job dislocations can potentially happen under the current Act but are minimized with proportional value.

Sensitivity to the needs of stakeholders is the final criterion. Proportional value -- because it is the easiest of the options and because it addresses a substantial portion of female job classes without comparators -- is the most appealing to most stakeholders. The "proportional value to other female job classes" approach is probably the most sensitive to stakeholders' concerns, while the wage line approach, because of its complexity, is the least sensitive.

The proportional value option, therefore, meets most of the criteria set out in the first Report to the Minister. The choice of three possible approaches allows employers and bargaining agents to select the one most suitable to their organization.

5.0 PROXY COMPARISON

Proxy comparison extends the search sequence outside of the organization. Proxy comparison requires the borrowing of information by a seeking organization from a proxy organization. The seeking organization is attempting to redress gender pay discrimination but has few, if any, male jobs, and so needs some additional information in order to complete its pay equity process. (The term "seeking organization" is used to refer to both the employer, and to any bargaining agent representing those in the female job classes.) The proxy organization is the one from which information is borrowed. The proxy option is potentially viable for many organizations in the public sector including the entire childcare sector, some of the health care sector, many social service agencies, and libraries. This option is only feasible for the public sector. Private sector organizations would find proxy organizations that are their competitors. This would not only be untenable to them but in most cases unhelpful, since the two organizations would have the same kinds of jobs.

Different stakeholders have different preferences with respect to this option. Some want flexibility in choosing the appropriate proxy organization, while others want the process to be easy to administer. Two possible approaches to the option could be made available. One is the "comparator proxy approach" which provides greater flexibility. The second is the "wage gap proxy approach" which is easier to administer. Each approach is named after the

type of information that is borrowed from the proxy organization and used by the seeking organization.

Before discussing these two approaches, it is important to note that proxy comparison is not the same as parity. Parity is achieved when the same jobs in two different organizations are compensated identically. However, some organizations will be high-wage organizations while others will be low-wage. This is not a pay equity issue if the wage gap is not tied to gender. For example, parity does not exist between a moderately priced department store which pays its sales clerks more than a discount store. Yet, sales clerk is a female-dominated job in both organizations. Thus, it is not necessary to compensate the female job class in the seeking organization to the same level as the comparison job class in the proxy organization, because some of the differential may be due to factors other than gender bias. The method of determining the amount of pay equity adjustment is discussed later.

5.1 Comparator Proxy Approach

With the comparator proxy approach, the seeking organization identifies and approaches the proxy organization to borrow two pieces of information: job information and job rates, for some of the job classes in the proxy organization. This information is used by the seeking organization in its pay equity process (as currently outlined in the Act) to identify a male comparator for

female job classes. The key difference between this approach and the current pay equity process is that the information about male job classes comes from another organization.

The seeking organization must match female job classes (from the seeking organization) with male job classes (from the proxy organization) that are of equal value, and then determine equal pay. These two processes are discussed separately.

(1) Matching of female job class with male job class from proxy organization

Potential proxy jobs could include the following:

- Male job classes of equal or comparable value, or
- Lower-valued, higher-paid male job classes

Evaluation of the female job class in the seeking organization and the potential male comparators in the proxy organization may be required. However, in some situations, the easiest way to find the appropriate comparator for a female job class in the seeking organization is to identify the male comparator matched to the same female job class in the proxy organization. For example, childcare workers in the childcare sector could use the male comparator for childcare workers in a municipal childcare centre; social workers in a community agency could use the male comparator matched with social workers in the other government agencies.

When the above method is not possible, it will be necessary to directly match the female job class in the seeking organization with a male job class in the proxy organization. This will require the following: (1) job information for the female job class, (2) job information for potential male comparators, and (3) a gender-neutral job comparison system.

The job information for the female job class and the gender-neutral comparison system come from the seeking organization. The job information for potential male job classes comes from the proxy organization. The proxy organization should be inconvenienced minimally; for example, job classes should be accepted the way the proxy organization has defined them.

(2) Determination of equal pay

Finding a comparator in another organization changes the way the pay equity adjustment is determined. This is because not all of the pay difference between the two organizations may be due to gender discrimination. The determination of pay equity adjustments for the salary job rate and for the benefit job rate are discussed separately.

(a) Salary job rate:

The appropriate percentage salary pay equity adjustment can be calculated in the following manner:

- (1) Determine the percentage **salary differential between the highest rate of salary paid to the female job in the seeking organization and that of its male comparator in the proxy organization.**
- (2) Determine the percentage **salary differential between the seeking organization and the proxy organization.** This can be done by comparing the salaries paid for similar job classes.
- (3) Subtract (2) from (1) and the remaining percentage figure is the amount of the percentage pay equity adjustment to be provided to the female job class in the seeking organization.

If there is more than one possible comparator job, the same provisions, as currently spelled out in the Act (Section 6(4)), would apply.

(b) **Benefit job rate:**

Benefit packages can differ significantly from one organization to another. A way to compare benefits between organizations is to determine the percent of the whole payroll spent on benefits by both the proxy and the seeking organization. The seeking organization must match the percentage amount of benefits in the

proxy organization, but can pay this compensation in either benefits or salary.

(3) Which organization can serve as a proxy organization

The selection of the appropriate proxy organization would be up to the employer and bargaining agent (if there is one). If there is more than one bargaining agent representing female job classes that did not find a comparator (which is unlikely given the low degree of unionization), it is suggested that all bargaining agents be involved simultaneously to negotiate the selection of the proxy organization. Only one proxy organization would be used, and it would have the following characteristics.

- o A public sector organization.

- o An organization that makes sense.

"Making sense" would include such criteria as geographic location, funding relationship, similarity of work, or some on-going relationship between the two organizations.

- o An organization that is not predominantly female.

The proxy organization would be noted in the pay equity plan enabling non-union employees to complain if they felt the proxy organization chosen was not appropriate.

Each seeking organization will select its own proxy and request from it the information necessary to implement the proxy comparison option. The auspices of the Review Services Branch of the Pay Equity Office can be used by either the seeking or proxy organization if there is a dispute about the reasonable sharing of information by the proxy organization. Because proxy organizations are in the public sector, much of the information will be public knowledge.

The views of stakeholders on possible proxy organizations are found in Appendix 5-2. The views refer to possible proxies for both the comparator and the wage gap approaches.

5.2 Wage Gap Proxy Approach

The comparator proxy approach requires that the seeking organization contact a proxy organization directly and collect certain information. Some seeking organizations may appreciate a simpler approach. This can be done by, one, changing what is borrowed from the proxy organization and, two, having the Pay Equity Office help with some of the information collection.

The wage gap proxy approach borrows information about the wage gap between female and male job classes in the proxy organization. The information can then be used by a large number of seeking organizations. This approach is based on the assumption that

systemic gender bias in compensation operates to a similar degree in both the seeking and the proxy organizations. Since such discrimination is systemic, it is not inappropriate to assume that the magnitude of the discrimination (within public sector organizations) is likely to be similar.

Based on the percentage wage gap found in the proxy organization, the seeking organization could determine the same percentage pay equity adjustments to its female job classes as is indicated for female job classes of equal value in the proxy organization.

(1) Identification of the wage gap in the proxy organization

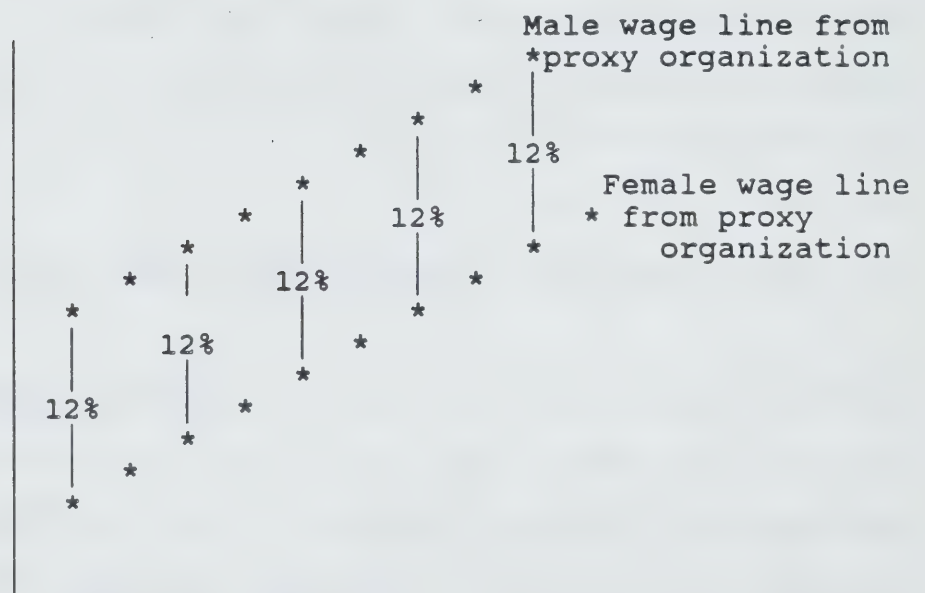
To use the wage gap proxy approach it is necessary to collect the value and job rate of female and male job classes within the proxy organization. From this information two wage lines would be drawn: one for male job classes and one for female job classes. The distance between these two wage lines is the gender wage gap found in the proxy organization. Figure 5-1 illustrates a graph showing the wage gap in a proxy organization. (An extensive description of how this wage gap is generated and how the wage gap proxy approach works is provided in Appendix 5-1.)

When the wage gap is borrowed from a proxy it becomes simpler for the seeking organization to identify the appropriate pay equity adjustment. On the other hand, it becomes technically more

difficult for the seeking organization to generate this information (drawing of a female wage line and a male wage line based on all job classes in the proxy organization). This is where the Pay Equity Office could help with information collection.

Figure 5-1

**ILLUSTRATION OF GENDER WAGE GAP FROM
A PROXY ORGANIZATION**



Value of job classes based on gender-neutral comparison system

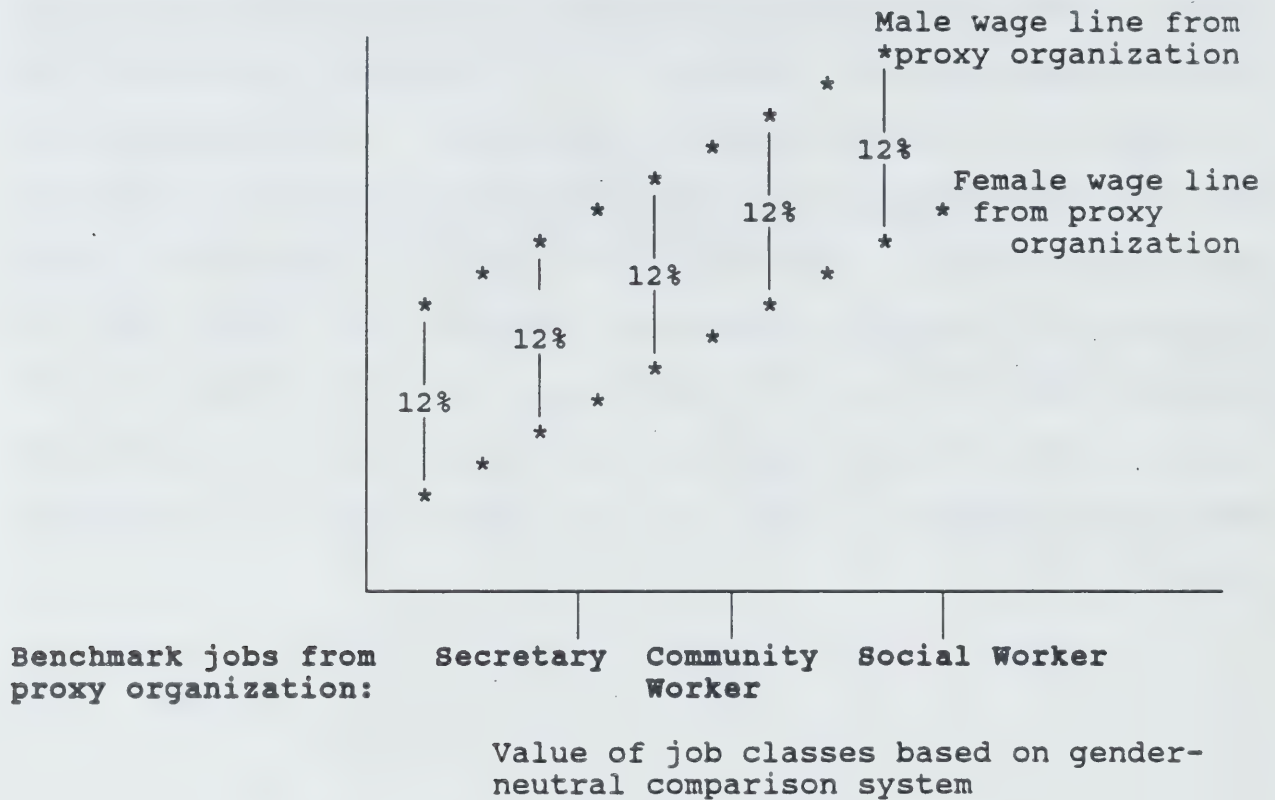
- (2) Placing of the female job class from the seeking organization on the proxy organization's graph

Using the wage gap borrowed from the proxy organization, the seeking organization can determine pay equity adjustments for its female job classes. However, one additional piece of information

is needed: a means for the seeking organization to determine how it values its job classes compared to how the proxy organization values its job classes. It cannot be assumed that even similar job classes in the seeking and proxy organization are of the same value to each organization. However, it is possible to anchor the horizontal line (on the bottom of the graph), which indicates the value of job classes, with some benchmark job classes from the proxy organization. (See Figure 5-2 for an illustration using benchmark job classes relevant to community and social service organizations.) The job descriptions for the benchmark job classes, obtained from the proxy organization, are evaluated by the seeking organization using its own gender-neutral comparison system.

Figure 5-2

ILLUSTRATION OF BENCHMARK JOBS AS GUIDE TO SCALE OF
JOB VALUE FOR COMMUNITY AND SOCIAL SERVICE ORGANIZATIONS



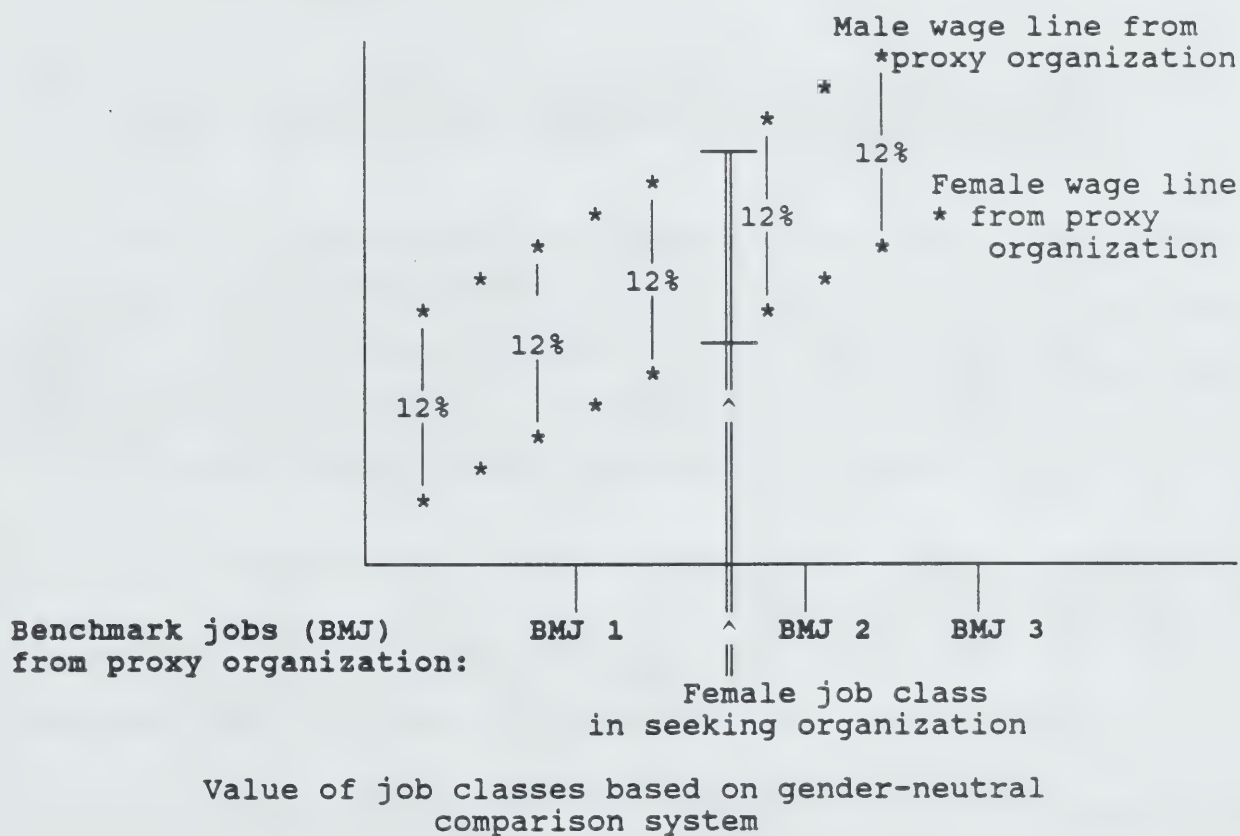
After evaluating both its own female job classes and the benchmark job classes on its gender-neutral comparison system, the seeking organization will know where its job classes fall on the horizontal axis of Figure 5-2.

The seeking organization will locate one of its female job classes on the horizontal axis in relationship to the value of the benchmark job classes. A line is drawn from this point on the horizontal axis, up to intersect the two wage lines. The distance between the two wage lines between the intersections indicates the

percentage wage gap for jobs at this value in the proxy organization. This percentage is the percentage pay equity adjustment for the female job class in the seeking organization.

Figure 5-3

ILLUSTRATION OF THE DETERMINATION
OF PAY EQUITY ADJUSTMENT FOR
ONE FEMALE JOB CLASS IN THE SEEKING ORGANIZATION



To summarize the methodology of the wage gap proxy comparison approach, the tasks for the proxy and seeking organizations as well as the role of the Pay Equity Office are outlined below.

The proxy organization would provide the following information for each of its female and male job classes:

- Titles of job classes,
- Values of the job classes based on whatever gender-neutral job comparison system is used by the proxy organization,
- Job rates before pay equity adjustments for female and male job classes,
- Job descriptions for a few female benchmark jobs
Benchmark jobs have a fairly standardized set of tasks and duties and are common to a number of organizations (e.g., nurse is a benchmark job in health care).

The Pay Equity Office would:

- On the basis of the information from the proxy organization, draw the female and the male wage lines and note how the benchmark jobs are valued.

The seeking organization would:

- Using a gender-neutral job comparison system, assess the value of its female job classes and the relevant benchmark job classes from the proxy organization.

- Locate each female job class on the horizontal axis of the graph in terms of its value, using the benchmark jobs as a guide.
- For each female job class, determine the difference between the female wage line and the male wage line (see Figure 5-3). The percentage differential between the two wage lines is the percentage pay equity adjustment for this female job class.

(3) Which organization can serve as a proxy organization

While under the comparator proxy approach each seeking organization identifies its own proxy organization, under the wage gap proxy approach the proxy organization will be previously determined. The proxy organization under this approach must have the following:

- o A range of job classes covering the scope of job values likely to be found in all female job classes in predominantly female sectors.
- o A large number of both female and male job classes to ensure that the wage lines are representative and stable.
- o Female job classes likely to be found in predominantly female public sectors that can serve as benchmark jobs.

- o Female job classes likely to be found in predominantly female public sectors that can serve as benchmark jobs.
- o Acceptability to stakeholders.

Potential proxy organizations from the public sector are:

Community colleges
Large hospitals
Municipalities
Ontario Public Service (OPS)
Police Commissions
School boards
Universities
Utility Commissions

However, of the potential proxy organizations identified above, most do not fulfil the criteria noted. Utility commissions and police commissions do not meet the first three criteria. School boards, universities, and community colleges are unlikely to have adequate benchmark jobs in health care, and may not have jobs in the social service area. Some, but not others, will have jobs relevant to childcare. Large hospitals were considered as possible proxy comparators for smaller hospitals but they would not have jobs relevant to the other predominantly female sectors. The views of stakeholders were assessed by researchers; the pros and cons expressed about the possible proxy organizations are found in

Appendix 5-2. (Views on possible proxy organizations for the comparator approach are also included in this appendix.)

From the list above, only large municipalities and the Ontario Public Service can fulfil the first three criteria. Based on the criteria and the comments of stakeholders, the most appropriate proxy for the wage gap approach is the Ontario Public Service.

5.4 Stakeholder Reactions to Different Approaches

Numerous stakeholders (listed in Appendix 1-6) were consulted about the proxy comparison options. Reactions were varied: some liked the comparator approach while some preferred the wage gap approach (though both approaches can be available leaving the choice to the seeking organization). The reactions of key stakeholders in each of the public sectors is provided in Appendix 5-3.

A number of similar issues were raised by stakeholders and are summarized below; where necessary they are addressed.

1. Funding: Many of the stakeholders were more concerned with issues of funding than with the actual methodology; that is, the concern was less how to identify a comparator than how to pay for any resulting pay equity adjustment.
2. Going beyond the Act: Some of the stakeholders representing employers' interests felt the proxy option goes beyond the

scope of the current Act. This sentiment fails to acknowledge the rationale for the inclusion of subsection 33(2)(e) in the Act; it was anticipated by the original drafters that different means were needed to achieve pay equity in predominantly female sectors.

3. Other agenda items: A number of stakeholders raised other issues that are directly, tangentially, or not at all related to pay equity. The purpose of this report is to identify means of achieving pay equity in predominantly female sectors. This objective is narrower than the concerns of many stakeholders.
4. Focus on parity not pay equity: Many stakeholders did not understand the goal of the proxy option. Some believed this methodology would allow or force them to pay the same rates as the proxy organization (i.e., parity). In fact, by using percentage increases, any wage differential between job classes in the seeking and proxy organizations would be maintained.
5. Difficulty of comparison between similar jobs: Many of the stakeholders in seeking organizations thought it would be difficult, if not impossible, to compare their job classes with similar job classes in a proxy organization (e.g., social worker to social worker), because the work environment and scope of the job classes may differ. While it is true that

even similar job classes may be unique, it is possible to compare those that are dissimilar such as female and male job classes.

6. **Autonomy:** This issue was raised by both employers and unions who were concerned that if the seeking organization was to become too closely tied to the proxy organization, there may be negative ramifications in other areas with respect to autonomy. In addition, the unions were concerned about having pay equity dictated to them instead of being able to negotiate the process themselves. However, by allowing use of either the comparator proxy approach or the wage gap proxy approach, flexibility and autonomy are ensured. For example, the use of the comparator proxy approach allows employers and unions to determine the choice of proxy organization. On the other hand, the wage gap proxy approach allows libraries to use the OPS as the proxy rather than municipalities -- from which some libraries wish to maintain their autonomy.

5.5 Impact on Proxy Organization

(1) Providing information

With the comparator approach, proxy organizations will be required to provide job information either for female job classes that are similar to those in the seeking organization or for male job

classes that are likely comparators. No other job information is required. Compensation information must also be provided, but only that associated with job classes, not individual employees.

With the wage gap approach, the Ontario Public Service will be asked to provide salary and job value information, so that both a female and a male wage line can be drawn. In addition, job information is required for benchmark job classes relevant to predominantly female sectors.

To a large degree, the kind of information required from the OPS for the wage gap proxy approach is publicly available. Much of the information needed for the comparator proxy approach is contained in the proxy organization's pay equity plan. Any cost of gathering the information for the comparator proxy approach would be born by the seeking organization. Obviously, no information that infringes on the privacy rights of individuals would be disclosed.

(2) Complaint process

Where there is a bargaining agent, any negotiated pay equity plan is deemed approved by the Pay Equity Commission. Where there is no bargaining agent, the pay equity plan is deemed approved if there are no complaints during the complaint resolution period, that follows the mandatory posting date.

Once the relevant pay equity plan of the proxy organization is deemed approved, then,

- complaint(s) filed by a non-union employee in the seeking organization, or
- any issue(s) between the employer and the bargaining agent in the seeking organization in their development of a pay equity plan,

will have no impact on the pay equity plan in the proxy organization.

Proxy organizations will be able to come to the Review Services Branch of the Pay Equity Office if they feel they are not an appropriate proxy organization. Either the seeking or proxy organization will be able to use Review Services for issues related to the providing of information by the proxy organization.

5.6 Conclusion

Two approaches for implementing the proxy comparison option are available: comparator proxy approach and wage gap proxy approach. Employers and bargaining agents (where present) could select the approach that best fulfils their needs.

Since it does not require that there be any female job classes, the proxy comparison approach could potentially be used in all organizations, except in the private sector. It is not clear which other private sector organization -- that would have some additional male comparators -- would be an appropriate proxy. It would be possible for a private sector organization to use a public sector organization as its proxy. However, the proxy option is generally not acceptable to private sector organizations, because it involves going beyond organizational boundaries.

This option is, however, a viable means to achieve pay equity in public sector organizations with no male job classes. Thus, if this were the only option added to the current process it would ensure pay equity for all those in public sectors. If organizations with some male jobs were to use proportional value, it was estimated that it could benefit 60 percent, the proxy comparison option would then benefit the remaining 40 percent.

Organizations with no male comparators are likely to dominate the childcare sector and be significant in the community and social services sector; virtually all small and many medium-sized libraries will be able to use this approach as will numerous health care organizations. Therefore, the proxy comparison approach fulfils the primary criterion outlined in the first Report -- that redress be achieved for the target sectors -- at least for the public sector if not for the private sector.

The second criterion requires consistency with the principles of pay equity as outlined in the Pay Equity Act. Proxy comparison differs from the first principle -- that comparisons be made within the establishments of a single employer. The second principle requiring the matching of female jobs with male jobs of equal or comparable value -- is violated if the wage gap approach is used. The third principle -- that jobs be valued in terms of skill, effort, responsibility, and working conditions -- is fulfilled by both the proxy approaches. The fourth principle -- that female jobs be compensated fairly in relationship to their value compared to male jobs -- is also fulfilled.

With respect to the third criterion, the comparator proxy approach is moderately straightforward and is flexible in the selection of the proxy organization. The administrative costs and time could be extensive for those organizations that obtain information from the proxy organization directly. For those who use the wage gap approach, the administrative costs will be less, but there is no flexibility in the choice of proxy organization, and the process is less straightforward.

The fourth criterion -- that adverse economic impact be assessed and minimized -- is difficult to evaluate. While it will be possible to assess costs, different options are needed to achieve pay equity in different circumstances.

In terms of acceptability to stakeholders -- the fifth criterion -- proxy comparison was clearly not acceptable to the private sector. Some in the public sector found it more acceptable (e.g., community and social services) than others (e.g., health care). In addition, it is more acceptable to some stakeholders than to others (e.g., employers find it more acceptable than do unions; seeking organizations find it more acceptable than do possible proxy organizations).

6.0 AVERAGE ADJUSTMENT

There are two quite distinct approaches to using the average adjustment option: internal average adjustment and external average adjustment. The two differ in terms of where the information used to determine the average adjustment comes from. With the internal average adjustment approach, if even one pay equity adjustment has been made within the organization this same (average) adjustment can be provided to all other female job classes. With external average adjustment, an average adjustment is borrowed from another organization or group of organizations (e.g., within an industry). In a sense, internal average adjustment is analogous to proportional value, while external average adjustment shares the characteristics of proxy comparison; that is, to achieve pay equity with external average adjustment one must go outside organizational boundaries.

6.1 Internal Approach

With the internal approach, the average pay equity adjustment within

- o a pay equity plan, or
- o an establishment, or
- o an organization

could be provided to all female job classes that did not find a comparator. For example, if the average adjustment is determined from within a pay equity plan this amount is provided to all the female job classes within the plan which did not find a comparator. The same logic applies to determining the average adjustment from within an establishment and from within an organization. These alternatives are consistent with the "inside, outside, throughout" sequence of finding a male comparator as outlined in the Act.

The assumption underlying this approach is that, by definition, systemic gender pay discrimination is likely to affect all female job classes within an organization, not just those that have a male comparator. Thus, for female job classes that do not happen to have a male comparator, the best estimate of the undervaluation of those jobs is the average of the pay equity adjustments provided to other jobs within the same unit (i.e., pay equity plan, establishment, or organization).

The option of the organizational average adjustment will ensure that where comparators are found in some establishments but not others, pay equity adjustments can still be made based on organizational experiences (and without going outside the organization). In this way, some of the situations that could have been addressed by the "comparator anywhere" option can be resolved by internal average adjustment.

6.2 External Average Adjustment Approach

Only if the internal average adjustment approach could not be used would the external approach be considered. This is because, where possible, it is best to determine the pay equity adjustment within the confines of an organization. However, where no female job class finds a comparator, systemic gender pay discrimination can be redressed by looking outside the organization.

The rationale for using external average adjustment is based on the systemic nature of gender-based pay discrimination and on the consistent gender-occupational segregation of work. Because gender-based pay discrimination is systemic it is believed to be found in all organizations which employ women. The lack of male comparators does not mean such discrimination does not exist, it just means it is more difficult to measure. This claim is substantiated by the fact that female jobs in organizations with comparators will receive pay equity adjustments, while the same female jobs in an organization with no comparators will not receive any adjustment. For example, the job of sales clerk in a large department store is expected to find a comparator, while the same job in a medium-sized children's clothing store may not.

Both these sales clerk jobs are female dominated because of consistent gender-occupational segregation that results in the performance of certain kinds of work by women (i.e., women's jobs), while other work is performed by men. Such consistency means

women's work is likely to be undervalued wherever it is found, regardless of whether there are men's jobs of equal value in the establishment, or not. The way the Act defines female (and male) job classes reflects this. As noted in Chapter 1, three factors must be considered in determining if a job is female or male predominant. These are: percentage cut-off, historical incumbency, and gender stereotype. The last two are relevant here.

Historical incumbency indicates that whatever the current proportion of men and women found in a job class, this may not be an accurate reflection of its gender predominance. One reason for this is that some organizations are making an attempt to hire men and women into non-traditional jobs. Pay equity is concerned with redressing historical gender-based pay discrimination: jobs that have historically been tied to one gender or the other regardless of current incumbency.

The third criterion for determining gender predominance confirms the consistent division of men's and women's work; there are very clear gender stereotypes of many kinds of jobs. Secretarial work is female; manual work is male; nursing and teaching are female; while engineering is male. These stereotypes are readily known. Since these same criteria are used to determine female job classes in organizations with at least some comparators as well as in organizations doing similar work with none, it follows that the same kind of work is being performed in both. It is likely that

the undervaluation that can be measured in the former is also found in the latter.

Clearly, the internal and external average adjustment approaches are technically feasible. Two questions, however, needed to be researched. First, how many organizations are likely to be in circumstances where they could use the average adjustment option? Second, is this option acceptable to the various stakeholders?

6.3 Number of Organizations Which Could Potentially Use This Option

To assess the extent to which internal average adjustment could be used it would be necessary to determine if at least one female job class could find a comparator. With the data available from the quantitative study this is not possible. Therefore, only the extent to which the external average adjustment could be used was assessed.

Organizations that met any of the following conditions could use external average adjustment:

- o No male job classes
- o All male job classes are lower-paid than any female job classes
- o All male job classes are the highest paid, and there is no female job class of equal or comparable value.

Table 6-1 shows the results for the first two conditions. It was difficult to obtain the information on the third condition; so the figures in Table 6-1 are likely to be under-estimated. It appears that a substantial number of organizations in all the public sectors, except for hospitals, would be in a position to use external average adjustment. It should be kept in mind that these organizations could also accomplish pay equity via the proxy comparison approach.

TABLE 6-1

**PROPORTION OF ORGANIZATIONS WHERE EXTERNAL
AVERAGE ADJUSTMENT COULD BE USED**

<u>Sector</u>	<u>No male job classes</u>	<u>All male job classes paid lowest</u>	<u>Where external average adjustment could be used</u>
PUBLIC SECTOR			
Childcare	80%	5%	85%
Health care	39	3	42
Hospital	3	1	4
Community & social services	42	5	47
Library	68	1	69
PRIVATE SECTOR			
(10-99 employees)			
Apparel, textile	8%	3%	11%
Other mfg.	5	1	6
Retail	22	7	29
Personal services	19	5	23
Tourism	16	9	25
(over 100 employees)			
Apparel, textile	5	0	5
Other mfg.	3	0	3
Retail	10	10	20
Personal services	9	2	11
Tourism	0	0	0

In the private sector, organizational size makes a difference in the proportion of organizations that meet the conditions outlined above. Organizations of less than 100 employees are more likely than larger organizations to be able to use external average adjustment.

The need for the external average adjustment option is greatest in retail (regardless of organizational size), personal services, and tourism. The kinds of organizations likely to need to use external average adjustment are chains of women's dress shops, florist shops, yarn stores, travel agencies, and cleaning services.

6.4 Acceptability to Stakeholders

To assess the acceptability of both internal and external average adjustment, a phone survey was conducted. The female-predominant industries were targeted, and both employers and union representatives were contacted. Unions known to represent employees in the sectors most likely to be able to use average adjustment were contacted. The source for employers differed depending on the sector. For example, in the retail sector firms were randomly chosen from the yellow pages in the following industries: prescription drugs and patent medicine stores; shoe stores; women's clothing stores; fabric and yarn stores; book and stationery stores; florists; lawn and garden centres; jewellery stores; toy, hobby, novelty, and souvenir stores. The yellow pages were also used for personal services and tourism. Dun and Bradstreet's business directory was used to identify employers in the following highly female-predominant industries: leather and allied products, men's and boys' clothing, women's clothing, children's clothing, and other clothing and apparel. Efforts were made to include organizations located outside of southern Ontario.

There were problems obtaining feedback from respondents. For example, respondents in personal services often did not speak English. Generally, it was found that employers with fewer than 100 employees tended to be unaware of the Pay Equity Act, and did not feel comfortable responding to the survey. Although these are the very employers for whom the average adjustment option is most viable, they are also employers whose mandatory posting date is 1992 or 1993.

The question on internal average adjustment asked respondents if they had a preference between:

- a) Using the pay equity adjustment of the female job class closest to the female job class that did not find a comparator, or
- b) Calculating the average adjustment for all the female job classes within the establishment.

The responses were evenly divided between the two; this was true within each industry. Some firms, particularly in retail, did not see either option as an equitable solution. Those who favoured using the pay equity adjustment of the closest job class liked it because it reflects the organization's own job evaluation process. On the other hand, those who favoured the organizational average felt it would be more fair where there were no female job classes

needing comparators in the same job families that received a pay equity adjustment.

In considering external average adjustment, respondents were asked whether they preferred: (a) the industry average, (b) the average adjustment for the Ontario Public Service, or (c) an average adjustment consistent with the pay equity literature.

Among stakeholders there was overwhelming consensus that an average for different sectors or industries within geographic areas should be used. This kind of information could be collected by the Pay Equity Office from a random sample of organizations. Earliest available data will be from private sector organizations with 500 or more employees since they have the earliest mandatory posting date.

The industrial average was perceived to be fair since it is developed from firms doing the same type of work, and are, therefore, likely to have similar wage schedules. The use of the industry average is consistent with the use of salary surveys of the market, which are fairly standard practice for larger organizations. Using any other average was perceived as problematic in highly competitive industries.

Despite the overall agreement on the industrial average, there were strong objections to external average adjustment. Most employers and unions felt that this is government intervention of the most

inappropriate kind. They felt it did not allow them to assess pay equity within their organization, but it assumed that their wages and salaries were discriminatory because other employers' were. However, a number of employers expressed positive sentiment for pay equity, these are quoted in Appendix 6-1.

There was less objection to the internal average adjustment because it is derived by each organization for its own use.

6.5 Conclusion

Average adjustment can be used to help achieve pay equity. It is estimated that in the public sectors 10 percent of those who could potentially benefit from the options would benefit from average adjustment; the estimate for the private sectors is 20 percent.

It is useful to look at both internal and external average adjustment in terms of the criteria set out in the first Report. In terms of redressing systemic, gender-based pay discrimination -- the primary criterion -- internal average adjustment could work in any organization where there is at least one pay equity adjustment. External average adjustment is the only option that would be able to achieve pay equity in private sector organizations where there are no male comparators for any female job class.

The second criterion is consistency with the principles of pay equity as outlined in the Pay Equity Act. The basic principles of

pay equity are that it: (1) occurs within establishments of a single employer, (2) requires the matching of female job classes with male job classes of equal or comparable value (or which are lower-valued, higher-paid), (3) values jobs in terms of skill, effort, responsibility, and working conditions, and (4) compensates female jobs fairly in relationship to their value compared to male jobs.

Internal average adjustment differs from the second (matching) and third (valuing of jobs) principles, while external average adjustment differs from the first three principles. Neither internal nor external average adjustment involves matching female and male job classes, nor matching to a hypothetical male job class, nor matching to the wage gap of similarly valued female job classes. So, the female job classes in the organization do not have to be evaluated on a job comparison system.

In terms of the third criterion, average adjustment is the easiest to understand, and has a very low administrative cost, but offers no flexibility. It is difficult to evaluate the fourth criterion: that economic costs be assessed and minimized. Because the different options are needed to bring about pay equity in different circumstances. The fifth criterion requires acceptability to stakeholders. External average adjustment was not well accepted by stakeholders. Neither employers nor unions like having the government specify salary increases. Internal average adjustment, on the other hand, had some support over proxy comparison, since

it allows the entire pay equity process to be implemented without going outside organizational boundaries.

Smaller employers, which predominantly female organizations often are, may feel that additional steps beyond the basic pay equity sequence are too complex for them. However, the simplest option administratively is the average adjustment -- either internal or external -- although there is greater acceptability of internal average adjustment.

7.0 IMPLEMENTATION QUESTIONS

The options recommended in the previous chapter, provide only part of what is needed to implement pay equity. They answer the technical question; how can pay equity be brought about when there are no male comparators? There are, in addition, three implementation questions which must be addressed:

1. To which organizations should the recommended options apply?
2. How will the recommended options be integrated into the current pay equity process?
3. What should the timing and amount of pay-out be for female job classes whose pay equity adjustment is identified by one of these recommended options?

These questions, unlike the options, are not technical issues that can be researched to determine the appropriate answer. Rather, they require consideration of the advantages and disadvantages of various alternatives.

7.1. To Which Organizations Should the Recommended Options Apply?

Subsection 33(2)(e) of the Act refers to predominantly female "sectors". "Sector" provides a reasonable "unit" for the purpose

of studying situations where under-valued female job classes are likely to exist, but where there are few, if any, male comparators. However, pay equity is carried out within the establishments of an organization. So some means is needed to identify those organizations which need to apply the recommended options. The concept of "sectors" may or may not be the best means of doing this. There are three alternatives to address this issue:

- 1) Identify predominantly female sectors and require all organizations within these sectors to use the recommended options.
- 2) Require all organizations to use the recommended options for all female job classes that did not find a comparator.
- 3) Develop a definition of a predominantly female organization (as opposed to sector). The recommended options would apply to all predominantly female organizations.

Each alternative is discussed below.

(1) Alternatives

i) Require use of options by all predominantly female sectors

As stated in Chapter 1, the three-digit Standard Industrial Classification (SIC) code can be used to identify those sectors with at least 60 percent female employees. Since 60 percent female incumbents are used in the definition of a female job class, it is consistent to use this same cut-off to define a predominantly female sector. All organizations within these sectors would have to use one of the options recommended. (Appendix 1-1 provides a listing of these sectors from the 1986 census.)

While this alternative is closest to the literal reading of subsection 33(2)(e) of the Pay Equity Act, there may be problems in administering it. Some organizations operate in more than one industrial sector (i.e., they have more than one three-digit SIC code). Further, two possible kinds of errors could occur. First, there can be predominantly female organizations that are not in predominantly female sectors; and secondly, organizations that are not predominantly female can be found in predominantly female sectors.

The second type of error is not of much concern. The first error will occur. For example, sector 863 -- non-institutional health services -- comprises six industries. Since most of these are not predominantly female, the entire sector is unlikely to be included

using this alternative. Therefore, the home care services industry, which is part of this sector and is likely to be predominantly female, would also be excluded.

Since SIC Codes are determined for a purpose other than pay equity, they provide a means of defining sector that is unlikely to be challenged. On the other hand, it is unlikely that employers will know their SIC Codes. Thus, it will be necessary to devote resources (e.g., letters to employers) to inform them.

- ii) Require use of options for female job classes that did not find a comparator, in any organization

The recommended options would be applied to any female job class, in any organization that did not find a comparator. This alternative is most consistent with the principle of redressing systemic gender pay discrimination. However, some may perceive this as going beyond the requirements of subsection 33(2)(e). That is, those who have completed pay equity or are currently involved in the process could feel that the rules have been changed in mid-stream, thereby causing them to expend more energy, time, and expenditures in order to comply with the Act.

Given that the purpose of the Act is to redress gender-based pay discrimination, this alternative acknowledges that we now have some additional methodologies with which to do this, that were not thoroughly tested when the Act was drafted.

This alternative provides the easiest and most straightforward administration, since it will be obvious from each pay equity plan where the recommended options need to be applied. In addition, although not required to do so, some employers will increase the compensation of female job classes that did not find a male comparator in order to achieve or maintain internal equity. This option allows these employers to include these "internal equity adjustments" as part of the one percent of their previous year's payroll, because the adjustments will now be pay equity adjustments.

iii) Require use of options for all predominantly female organizations

Since pay equity is carried out at the level of the organization, a means of identifying organizations that are predominantly female could be determined. A predominantly female organization could be defined as that organization where 60 percent of the employees are female, as of a certain date.

This alternative would include organizations that are not in predominantly female sectors but are themselves predominantly female. The information required to determine if an organization is predominantly female would be easily obtained.

(2) Recommendation

It is recommended that all organizations be required to use the recommended options for any female job class that does not find a comparator. This alternative best achieves the objective of the Pay Equity Act, and it is the simplest to administer.

7.2. How will the Options Selected be Integrated with the Current Pay Equity Process?

In the current Act a three-step sequence is utilized to identify a male comparator:

First, look **inside** the pay equity plan for a male comparator of equal or comparable value to each female job class within the plan;

Second, for those female job classes that did not find an "inside" comparator, look **outside** the pay equity plan into any pay equity plan within the establishment for a comparator of equal or comparable value;

Third, for those female job classes that still have not found a male comparator, look **throughout** the establishment for a male job class which is lower in value but paid higher.

As soon as a female job class finds a comparator, the search stops.

Each organization will require only one of the three viable options as a fourth step in the search sequence. In each case, it is assumed that only female job classes that did not find a comparator by the "inside, outside, and throughout" sequence would use the additional step. Thus, an employer and bargaining agent (where there is one) will not have to change any part of their pay equity plan(s) because of the addition of one more step in the search sequence.

(1) Alternatives

Just as there is a sequence in the Act currently, it is possible to order the three viable options in terms of which should be considered first, etc. Three possible sequences for the three options are discussed. The first two require a slightly different definition of the kind of organization that could use each of the viable options. The third option would allow different sequences in bargaining versus non-bargaining situations. (It should be kept in mind that there are a number of means of implementing proportional value and proxy comparison. Those doing pay equity would fully self-manage that means of implementation best for them, regardless of the sequence.)

The three alternatives for sequences of the options are discussed below.

- i) Allow an employer and bargaining agent (where there is one) to select from among the recommended options the one which will work in their circumstances. Only one option would be applied. The conditions for use of each option would be defined as follows:
- a. Proportional value comparison: Public or private sector organizations that have the required number of male job classes.
 - b. Proxy comparison: Organizations considered part of the public sector under the Pay Equity Act.
 - c. Average adjustment: Public or private sector organizations.

A number of organizations would be able to choose between two or three of these. For example, large hospitals could select any of the three; a garment manufacturer would probably have a choice between proportional value or average adjustment; and a childcare agency could select either proxy comparison or average adjustment.

This alternative provides the greatest degree of choice, which is consistent with pay equity being a self-managed process. However, such choice would allow an option to be selected based on obtaining desired results (e.g., the least cost) without regard to the effectiveness of redressing systemic gender pay discrimination.

ii) Require employers (and bargaining agents) to use the options in sequence, according to their particular circumstances. The conditions for using each option are defined below:

- a. Proportional value comparison: Public or private sector organizations that have the required number of male job classes.
- b. Internal average adjustment: Public or private sector organizations that have fewer than the number of male job classes required to use the proportional value approach.
- c. Proxy comparison: Organizations considered part of the public sector under the Pay Equity Act that have no male job classes.
- d. External average adjustment: Private sector organizations that have no male job classes.

The sequence would be:

1. Proportional value comparison
2. Internal average adjustment
3. Proxy comparison in the public sector or 3. External average adjustment in the private sector

This alternative does not allow organizations and bargaining agents any choice in the order in which they must apply the options. It requires that they first consider the two options that take place within the organization: proportional value and internal average adjustment. Only if these two cannot achieve pay equity would the pay equity process go outside the organizational boundaries to include proxy comparison for the public sector, and external average adjustment for the private sector.

This alternative adheres to the general principles of the current Act; that is, internal comparison methods are preferred.

iii) Utilize a different procedure for negotiated pay equity plans

The two previous alternatives differ in the degree of choice that would be available to employers and bargaining agents in ensuring pay equity within predominantly female sectors. It is possible, however, to use a different procedure for a negotiated plan than

for a non-negotiated plan. That is, where there is a bargaining unit, alternative (i) would operate, while in non-union situations alternative (ii) would prevail.

This would allow the most flexibility in negotiated situations, while providing more guidance in situations where there are no bargaining agents.

This option could lead to different approaches to pay equity within the same sector.

(2) Recommendation

The second alternative is recommended; this is the sequence of proportional value, internal average adjustment, and then either proxy comparison in the public sector, or external average adjustment in the private sector.

7.3 What Should Be the Timing and Amount of Pay-Outs?

The timing and pay-out schedules spelled out in the Act are different for the public and the private sectors:

Public Sector: Pay-outs begin on January 1, 1990 and must be completed by January 1, 1995. At least one percent of the previous year's payroll must be provided to pay equity adjustments. Since the recommended options cannot be

effective in time to meet this date, the issue of retroactivity must be considered.

Private Sector: The schedule for beginning pay-outs varies with the size of the organization. One percent of the previous year's payroll must be paid out each year in pay equity adjustments until pay equity is achieved.

(1) Alternatives

(a) Public sector

There are three alternatives for timing and pay-out in the public sector.

- i) Make the pay-outs derived from the recommended options in the public sector retroactive to January 1, 1990, and continue to require that the pay-out be at the rate of one percent of the previous annual payroll per year.

While this alternative provides retroactivity, it disadvantages those whose pay equity adjustment is determined by the recommended options, because they are unlikely to fully achieve pay equity within the same time frame as others in public sector organizations. This means these public sector employees are treated the same as those in the private sector. However, because the payroll of organizations within predominantly female sectors

is comprised almost exclusively of women, it is likely that it would take longer to achieve pay equity in these organizations than in most private sector organizations.

- ii) Require that all pay equity adjustments in the public sector, including those derived from the recommended options, be achieved no later than January 1, 1995; begin adjustments at the earliest possible date, but no later than January 1, 1991.

This would ensure that those working in female job classes in predominantly female sectors would achieve pay equity at the same time as all others working in female job classes in the public sector, although they would be disadvantaged because their first pay equity adjustment would begin later.

This alternative is easier to administer than the one requiring retroactivity. For those organizations that have paid some pay equity adjustments, retroactivity would require either paying out more than one percent of the previous year's payroll, or redistributing the one percent such that some employees would receive a lower pay equity adjustment than that promised in the pay equity plan.

- iii) It is recommended that pay-outs begin January 1, 1991 in the public sector and be completed no later than January 1, 1995. A larger increase would be provided in 1991 to compensate for the lack of pay equity adjustments in 1990. The total cost

to the employer would be not less than one percent but not more than two percent of the previous year's payroll in total pay equity adjustments in 1991. It could be stipulated that this first increase before it is doubled, be at least equal to either the average adjustment provided to all job classes or the amount required to achieve pay equity.

This alternative rectifies some of the loss to those in job classes that did not get increases in 1990, without entailing the administrative difficulties of retroactive payments. For example, retroactivity would either require an employer to spend more than one percent of their previous year's payroll in 1990 or would mean redistribution of pay equity adjustments already promised.

(b) Private sector

The vast majority of private sector organizations do not have to identify pay equity adjustments until January 1, 1991 or later. The mandatory adjustment dates -- that is, the required dates to begin pay equity adjustments -- differ according to the size of private sector organizations. The first adjustments, for the majority of private sector employers, would be January 1, 1992 or later. Therefore, it is hoped that retroactivity would not be at issue. If needed, the following three alternatives will parallel those set out for the public sector, but take into account the current private sector pay-out schedules:

- i) For the private sector, make pay equity adjustments retroactive to the mandatory adjustment dates as set out in the Act, and continue to require that the pay-out be at the rate of one percent of the previous annual payroll per year.
- ii) Require that all pay equity adjustments in the private sector be achieved by beginning adjustments at the earliest possible date, but no later than one year after the mandatory adjustment date.
- iii) In the private sector, if pay equity adjustments cannot be made on the mandatory adjustment date, begin pay equity adjustments no later than one year after the mandatory adjustment date. Provide a larger increase in this year to compensate those job classes which did not get pay equity adjustments in the year of the mandatory adjustment date. Limit the total cost to the employer of not less than one percent but not more than two percent of the previous year's payroll in total pay equity adjustments in this year. Continue to require that the pay-out be at the rate of one percent of the previous annual payroll per year after this year. It could be stipulated that this first adjustment, before doubling, be at least equal to either the average adjustment provided to all job classes or the amount required to achieve pay equity.

(1) Recommendation

For both the public and private sector the third alternative is recommended. This will ensure fairness to those whose adjustments are determined by the predominantly female options. In addition, this alternative is most conducive with employers' budgeting and planning processes since it does not require retroactivity.

7.4 Summary of Recommendations

It is recommended that the options selected be applied to all female job classes that did not find a comparator in all organizations covered by the Act. Further, it is recommended that the following sequence be added to the current search process:

1. Proportional value comparison
2. Internal average adjustment
3. Proxy comparison in the public sector or 3. External average adjustment in the private sector

The recommended pay-out schedule would provide for larger increases in 1991, in the public sector, for those in job classes that did not get adjustments in 1990 because the options were not in place. Adjustments would be completed by 1995. For the private sector, it is possible that no change in the timing and pay-outs will be needed for most organizations. If it is needed, the recommendation

parallels the public sector, but recognizes that the mandatory adjustment date differs for private sector organizations of different sizes, and that there is no specified date by which all pay equity adjustments must be completed.

8.0 SUMMARY AND RECOMMENDATIONS

The drafters of the Pay Equity Act recognized that the pay equity process set out in the Act would not address systemic pay discrimination in situations where there are few, if any, male comparators. The purpose of subsection 33(2)(e) and the resulting study was to ensure that the objective of pay equity -- the removal of systemic gender wage discrimination and maintenance of gender-neutral compensation practices -- would extend to those not benefiting from the methodology outlined in the Pay Equity Act, 1987. Subsection 33(2)(e) and the resulting study presuppose that additional steps will be added to the current pay equity process to ensure that all those covered by the Act can benefit from it.

In 1988, the Pay Equity Office identified predominantly female sectors, and conducted qualitative and quantitative research on these sectors. From this study five options that would potentially address pay equity in organizations with few, if any, male job classes were identified. In 1989 the Pay Equity Office conducted research on the five options. The options are:

1. **Reduction of percentage threshold:** decrease the percentage cut-off for male job classes from 70 percent and/or decrease the percentage cut-off for female job classes from 60 percent.

2. **Comparators anywhere in the organization:** use comparators found anywhere within the employer's organization (including those in different geographic divisions).
3. **Proportional value comparisons:** provide adjustments to female job classes in proportion to their value compared to male job classes, or compared to female job classes that did find comparators.
4. **Proxy comparisons:** allow comparisons from other organizations.
5. **Average adjustment:** a set adjustment to female job classes that did not find a comparator based on averaging the adjustments of female job classes that did find comparators.

Information about the study of these options can be found in Appendix 1-4: terms of reference of the research studies, Appendix 1-5: list of researchers and Appendix 1-6: stakeholders contacted. These studies provided information on the viability of the options and acceptability to stakeholders.

8.1 Recommendation of Options

Recommendation 1:

It is recommended that one additional step be added to the pay equity process so that a pay equity adjustment can be determined for female job classes which did not find a male comparator under the search sequence set out in the Act currently. Because of the variety of circumstances organizations may face, the additional step will be either proportional value, proxy comparison, or average adjustment.

Because the additional step is an add-on to the current sequence of finding male comparators, employers and bargaining agents (where present) would not be required to change any part of their pay equity process.

The three options are each appropriate under a different set of circumstances. The proportional value option will work in both public and private sector organizations where there are some male job classes. The internal average adjustment is needed for organizations that have fewer than the number of male job classes required for proportional value. However, these two options will not be able to redress systemic gender pay discrimination where there are no male job classes, for example, in childcare centres, in libraries, in community and social service agencies and in health care. These organizations will be able to use the proxy

option. Private sector organizations with no male job classes - such as parts of the retail and personal service sectors -- will be able to use an external average adjustment approach.

Research revealed that there is often more than one approach to each option. The following approaches can help bring about pay equity:

Proportional value comparison approaches:

- o Establishing proportional value to female job classes ensures that female job classes that did not find a comparator are paid proportionally to female job classes that did find a comparator.
- o The formula approach determines the average "dollars per point" for the male job classes within the organization. This "dollar per point" amount is multiplied by the point value of each female job class to determine its fair job rate (see Appendix 4-1).
- o The wage line approach uses the male wage line to identify the appropriate job rate for female job classes at various values (see Appendices 4-2 and 4-3).

Proxy comparison approaches (public sector only):

- o With the comparator proxy approach a seeking organization selects an appropriate proxy organization and obtains information on jobs and job rates about potential male comparator job classes.
- o The wage gap proxy approach borrows the wage gap based on the female and male wage lines from a pre-selected proxy organization. (See Appendix 5-1). The Ontario Public Service is recommended as the appropriate proxy organization when the wage gap proxy approach is used.

Average adjustment approaches:

- o Internal average adjustment uses the average pay equity adjustment within the pay equity plan, establishment, or organization to provide a set pay equity adjustment to all female job classes that did not find a comparator.
- o External average adjustment provides each female job class that did not find a comparator with the average pay equity adjustment found within the industry. This approach would only be used in the private sector.

In the first Report to the Minister five criteria were identified for evaluating the different options. Each of the three viable options was considered in terms of these criteria. They are discussed below:

(1) Achieve redress of systemic gender pay discrimination

As noted, each of the three viable options can address systemic gender pay discrimination in certain circumstances. Thus, while any particular organization will only use one option, all three need to be available to facilitate pay equity in the various circumstances which exist. By having the three options available, each organization will be able to use the option which is most relevant to it.

(2) Minimize incompatibility with the existing pay equity process

There are a number of principles embedded in the pay equity process in the Act currently. It is expected that each of the options will differ from some of these principles.

The principles are that pay equity:

1. Is implemented within establishments of a single employer,

2. Requires the matching of female job classes with male job classes of equal or comparable value (or that are lower-valued, but higher-paid),
3. Values jobs in terms of skill, effort, responsibility, and working conditions, and
4. Compensates female job classes the same as their male comparator job class.

Proportional value differs from only the second principle: the requirement to match female and male job classes. Proxy comparison differs from the first principle: that it be implemented within a single employer. Internal average adjustment differs from the second and third principles. External average adjustment differs from the first three principles.

- (3) Understandable, flexible, and keep, administrative costs minimal

It is desirable for solutions to be uncomplicated and flexible. Easily understood solutions will reduce resistance and make the process easier for those implementing it, and for employees affected by it. In addition, it is desirable to ensure that the costs are for the adjustments, rather than for the administration.

All three options are conceptually straightforward. Average adjustment is the easiest to administer. Proportional value is probably easier to administer than proxy comparison.

One consideration, in terms of this criterion, has to be the ease of implementation. Additional guidelines will be needed. However, the introduction of any of the options will require additions to only five of the eighteen guidelines. The guidelines that will require change are:

- o Which Jobs to Compare (Implementation Series #10)
- o Determining Job Rate - Salary (Implementation Series #11)
- o Determining Job Rate - Benefits (Implementation Series #12)
- o Pay Equity Adjustments - (Implementation Series #14)
- o Pay Equity Plans - (Implementation Series #15)

In addition, training material will be required to educate employers and bargaining agents on how to use the options. Proportional value and proxy comparison will require the most extensive materials. As part of studying these options, explanatory training material was provided to some stakeholders. The feedback indicated that with some modifications, useful training materials can be developed.

(4) Minimize adverse economic impact

As was noted in the first Report (page 69) "costs will be involved in redressing inequities that exist. The central concern is one of redress". Since proportional value, proxy, and average adjustment are likely to address the undervaluation of jobs in slightly different circumstances, there is no way to determine whether one option is more or less costly than another.

(5) Sensitive to the needs of stakeholders

Stakeholders include employers, unions, working women, and various professional associations. Proportional value is well accepted by stakeholders because it occurs within organizational boundaries, and is most consistent with the principles found in the current process. In fact, a number of organizations have chosen to implement this option already by ensuring internal equity for all female job classes. Proxy comparison, which would only be used in the public sector, is more acceptable in some sectors (e.g., community and social services) than in others (e.g., health care). Internal average adjustment is fairly acceptable. Despite being easy to administer, external average adjustment is least acceptable to stakeholders.

8.2 Recommendations for Implementation

In addition to identifying options which address systemic gender wage discrimination in organizations with few, or no, male comparators, there are three implementation questions that need to be addressed.

The first is: To which organization should the recommended options apply?

Recommendation 2:

It is recommended that, to be consistent with the spirit and intent of the Act, every female job class in any organization that did not find a male comparator should have the appropriate option applied to it.

The second implementation question is: How will the recommended options be integrated into the current pay equity process?

Recommendation 3:

It is recommended that each organization use one of three options. All organizations will first consider the proportional value approach. Where the conditions for proportional value do not exist organizations would then use internal average adjustment. Where the conditions for internal average adjustment do not exist, proxy

comparison would be used in the public sector, and external average adjustment would be used in the private sector.

Based on this sequence, Table 8-1 shows the estimates of the proportion and number of women likely to benefit from each option.

TABLE 8-1
PROPORTION AND NUMBER OF WOMEN LIKELY
TO BENEFIT FROM EACH OPTION

	<u>Public sector</u> Number (%)	<u>Private sector</u> Number (%)	<u>Total</u> Number (%)
Proportional value	166,800 (60%)	210,400 (80%)	377,200 (70%)
Internal average adjustment	27,800* (10%)	39,500** (15%)	66,700 (12%)
Proxy comparison	83,400 (30%)	Not applicable	83,400 (15%)
External average adjustment	Not applicable	13,700 (5%)	13,700 (3%)
TOTAL	278,000 (100%)	263,000 (100%)	541,000 (100%)

* Redress could also be achieved by proxy comparison

** Redress could also be achieved by external average adjustment

The third implementation question is: What should the timing and pay-outs be for female job classes whose pay equity adjustment is identified by these recommended options?

Recommendation 4:

It is recommended that pay-outs begin January 1, 1991 in the public sector and be completed no later than January 1, 1995. A larger increase (e.g., up to double) would be provided in 1991 to compensate for the lack of pay equity adjustments in 1990. The total cost to the employer would be not less than one percent but not more than two percent of the previous year's payroll in total pay equity adjustments in 1991.

It is expected that the different time frame for the private sector in the Act will minimize the timing problem. However, if necessary, private sector organizations would follow the same principle set out for the public sector -- providing a larger increase in the second year of adjustments to compensate job classes which did not receive an adjustment in the first year.

It could be stipulated that this first increase, before it is doubled, be at least equal to either the average adjustment provided to all job classes or the amount required to achieve pay equity.

8.3 Other Initiatives

In addition to the recommendations that relate to the options for achieving pay equity in predominantly female organizations, we would like to restate a recommendation from the January Report to the Minister.

Recommendation 5:

It is recommended that the Government consider other initiatives which, although not in the context of the Pay Equity Act, 1987, will help address the wage levels of predominantly female sectors of the economy.

We also wish to restate, in large part, the rationale for this recommendation as we believe that it provides clear reasons for considering these complementary measures that will contribute to fairer wages for women's work.

The research undertaken by the Pay Equity Office seems to indicate that there are other factors which have an effect on the low average earnings of women in predominantly female sectors other than gender-based discrimination based on equal pay for work of equal value. Other initiatives, beyond pay equity, that warrant serious consideration if the low wages of women working in these sectors is to be effectively addressed, are identified below. Such initiatives or alternative vehicles may also be considered

complementary measures to achieve pay equity, regardless of whether there are male comparators.

1. Amendments to the Employment Standards Act

Amendments to the Employment Standards Act to increase the minimum wage and to provide greater protection and benefits to part-time and casual workers should be considered. Although the minimum wage is not directly linked to wage discrimination, it is true that, for the most part, many women are paid at or just above this level. The fastest areas of growth in employment involve jobs with wages close to the minimum wage. Similarly, many of these jobs are held by women, are part-time, and have few or no benefits. Pay inequities in predominantly female sectors are enhanced by the fact that many jobs are low-paying for both men and women in the sectors, over and above the fact that work may also be undervalued on the basis of gender. Furthermore, the disadvantages multiply for women if they are members of a visible minority and are working on a part-time basis but would prefer full-time employment. Increasing protection through amendments to the Employment Standards Act would not only provide redress for the problem of low wages generally, it should also be seen as a potential solution for those sectors which do not lend themselves easily to other pay equity related options. Another area for which further

consideration is warranted is that of "contracting out". Currently, it is felt there are very few requirements ensuring that those performing the work contracted out have sufficient access to fair and equitable compensation and other employment practices.

2. Enhancing Employment Equity Initiatives

Employment equity is an initiative that can significantly enhance the individual bargaining power of women and that is consistent with improvements in their overall position in the labour market. Employment equity could serve to increase the demand for female labour. This in turn should serve to increase both their wages and their employment opportunities.

For establishments that are predominantly female, this positive effect on wages would have to work indirectly since these establishments would not have to raise female wages to attract more women -- they already have an over-representation of women. There may be an indirect effect on wages in that such increased female job opportunities elsewhere may reduce the large available pool of females available for work, and this may necessitate increased wages in the predominantly female establishments simply to be able to recruit and retain their workers.

For the female-dominated groups where no appropriate male comparison groups are available, even though other males are employed within the establishment, employment equity could have more beneficial wage effects. The increased demand for females to fill the higher positions in the occupational hierarchy could directly enhance their pay if they were promoted to those jobs, and it could indirectly enhance their pay if it reduced the supply of women otherwise available for those female dominated jobs.

Employment equity is also significant in that it addresses the doubly disadvantaged situation of women belonging to minority groups. It is often the case that both wages and promotional opportunities are depressed due to the fact that not only is work being done by women, it is being done by women in minority groups. Employment equity initiatives are usually broader in scope than gender -- the inequities faced by native persons, the disabled and visible minorities also require redress.

Employment equity does not, however, necessarily substitute the need for pay equity in predominantly female work places. It can be argued that women should not have to leave female dominated jobs to achieve pay equity. If they prefer to work in certain jobs they should not receive less pay than jobs of equal or comparable value. This is especially the case for

older, less mobile, female employees for whom it may be difficult to change positions to enhance their pay. While employment equity may be a viable form of redress for younger women, especially as they enter new jobs, and doubly disadvantaged women, it may do little to help those older women, who do not want to change their jobs. In such circumstances, employment equity should be regarded as a complement to pay equity but not a sufficient substitute.

3. Government Funding

A third initiative to address the overall low wage problem, as well as the undervaluation of women's work in the public sector, is to increase the levels of government funding. Low wages paid in the predominantly female sectors of childcare, community and social services, and the health sector, for example, often reflect the public funds that are available. These funds can, and often do, determine the ability of funded organizations to pay employees adequately, regardless of any additional discrimination in compensation on the basis of gender. Although inability to pay is generally not considered a legitimate defence in not complying with employment standards, attention should be given to why this problem exists.

For many of the predominantly female establishments, labour costs are the dominant component of the cost of providing the services overall. The concern is that substantially raised labour costs may have to be passed on to the users of such services or may result in curtailing services.

For these reasons, increasing the level of funding to sectors may enable employers to raise wages without having to pass on the cost increases and thereby reduce access. Nevertheless, there are problems with this approach. Funding could, however, be tied directly to wages and salaries, as are the current direct operating grants in the funding that is provided by the Ministry of Community and Social Services to childcare centres in Ontario. Second, there is no obvious way of determining the magnitude of funding that would be appropriate. Third, because this approach is only applicable to the funded organizations (largely in the public sector), further inequities in compensation could be created at the same time they are solved by increasing differences in compensation between the public and private sectors. In order to prevent this, other initiatives -- pay equity or otherwise -- would have to apply to the private sector.

The initiatives outlined above are by no means an exhaustive list of options that reach beyond pay equity to address the issue of low wages for women in these sectors. What this exercise has done,

however, is to illuminate how far-reaching the issue really is. It is evident that pay equity is not the sole answer to the problem of wages in predominantly female work places. These and perhaps other initiatives should be considered as part of an overall approach to facilitate redress. If pursued, these initiatives will go a long way to redressing the undervaluing of the work performed by the following groups of women workers:

- (a) women earning minimum wage;
- (b) visible minority women concentrated in some of the most undervalued and essential occupations in Ontario; and
- (c) women who work part-time, many of whom have no choice because full-time jobs are not available.

8.4 Introduction of Clarifying Amendments to the Pay Equity Act, 1987

It is expected that amendments to the Act will be necessary to address the issues raised in this report. In the 22 months since the effective date of the Act, the Pay Equity Office has heard from employers, large and small, and from unions about the need to clarify some ambiguities in the language of the Act that hinder the smooth implementation of pay equity. We suggest that when amendments to the Act are introduced, such ambiguities be clarified.

Recommendation 6:

It is recommended that amendments to the Pay Equity Act, 1987 include those that will clarify any ambiguities that exist in the current Act.

8.5 Summary

The purpose of the Pay Equity Act can be fulfilled and all those covered by it can benefit, if one additional step is added to the process. This step will enable the determination of pay equity adjustments, if any are needed, for female jobs which did not find a male comparator according to the search sequence set out in the Act currently. One of three options is able to address this issue in the various circumstances which different organizations face. The sequence in which the three options would be considered are:

- o Proportional value, then
- o Internal average adjustment, then
- o Proxy comparison in the public sector

or

External average adjustment in the private sector.

Proportional value comparison requires that there be at least some male job classes within the organization. Proxy comparison does not require that there be any male job classes, but it is only

acceptable within the public sector because it involves going beyond organizational boundaries. Average adjustment encompasses two approaches, one of which operates inside the organization the other of which goes outside the organization. Internal average adjustment can be used in both the public and private sectors. External average adjustment can be used in the private sector when there are no male comparators.

Having three options available means that organizations which face different circumstances will be using an option which is relevant to their circumstances. Further, having three options available ensures that all those covered by the Pay Equity Act can benefit from its protection regardless of the circumstances faced by the organization in which they work.

It is further recommended that these options be used whenever a female job class is unable to find a male comparator. The timing and pay-outs should be consistent with the current schedule in the public and private sector with the exception that, where pay equity adjustments could not be made in the first year, adjustments are required because these options were not yet in place, that a larger adjustment be provided in the second year, though in no case would the employer be required to pay-out more than two percent of the previous year's payroll (nor less than the mandatory one percent).

The final two recommendations speak to the context in which pay equity is being implemented. One recommendation encourages implementation of other initiatives such as amendments to the Employment Standards Act, employment equity initiatives and funding to the broader public sector. The final recommendation is to clarify any ambiguities the Pay Equity Act, 1987 by amendments to the Act.

APPENDIX 1-1
PAY EQUITY PROCESS

Study of new options to achieve pay equity are required in predominantly female sectors since the methodology set out in the Pay Equity Act cannot address systemic gender pay discrimination where there are few, if any, male jobs. To fully understand the options under study it is necessary to keep in mind the current pay equity process.

The pay equity process is a self-managed process where employers and bargaining agents (where present) make a series of decisions. While such decisions must conform to the spirit and intent of the Pay Equity Act there is still great discretion for the parties to make decisions which are consistent with the needs of the organization and its employees. The key decisions are:

- o **Definition of establishment:** For an organization which operates in more than one geographic area, the employer and bargaining agents (where present) can choose to define various geographic locations as separate establishments. One reason for doing this might be because geographic salary differentials are paid. All the remaining steps in the pay equity process are carried out within each establishment. Within each establishment there is one pay equity plan for each bargaining unit and one pay equity plan for all non-union jobs.
- o **Identification of female and male job classes:** Three criteria are used to determine the gender of a job class: percentage cut-off, historical incumbency and gender

percentage cut-off, historical incumbency and gender stereotype of the field of work. The percentage cut-offs are 60 percent female incumbents for female jobs and 70 percent male incumbents for male jobs. All job classes within an establishment are either female dominated, male dominated or gender neutral.

- o **Assessment of value of job classes:** The value of female and male job classes are assessed using a gender-neutral comparison system which considers skill, effort, responsibility and working conditions found in the jobs.
- o **Search sequence for comparators:** The sequence for identifying the appropriate male comparator job class for each female job class is:
 - 1) Look for an equal or comparably valued male comparator within the pay equity plan;
 - 2) If no comparator is found within the pay equity plan, look for an equal or comparably valued comparator in any other pay equity plan in the establishment;
 - 3) If no comparator is found, look for a lower-valued, higher paid comparator throughout the establishment in any of the pay equity plans.

The search sequence stops when a comparator is found.

- o **Determination of pay equity adjustment:** Once the comparator is found, the total compensation (referred to as job rate) of the female and male job classes are compared. Compensation includes both salary/wages and benefits. The amount of the pay equity adjustment is the difference between the compensation of the female job class and its male comparator.

- o **Pay-out and timing of pay equity adjustments:** In the public sector, payment begins January 1, 1990 and all pay equity adjustments must be completed no later than January 1, 1995. The annual pay-out must be at least 1 percent of the previous year's payroll or the amount required to complete the pay equity adjustments. In the private sector, pay-outs begin on the schedule below and continue at the rate of 1 percent of the previous year's payroll until all pay equity adjustments are complete.

<u>Average number of employees in 1987</u>	<u>Date on which pay equity adjustments must begin</u>
500 or more	January 1, 1991
100 to 499	January 1, 1992
50 to 99	January 1, 1993
10 to 49	January 1, 1994

- o **Posting of pay equity plans:** Information about the pay equity process and the results must be posted in the work place.

APPENDIX 1-2

NUMBER OF WOMEN LIKELY TO BE AFFECTED BY STUDY OF PREDOMINANTLY FEMALE SECTORS

Eleven sectors of the economy are predominantly female. These sectors are found to have at least 60 percent female employees based on the Standard Industrial Classification (SIC) code at the three-digit level. The Standard Industrial Classification is a system of classifying organizations based on what they produce.

Table 1-2A shows the number of women likely to benefit from the options studied in this report. The number of women working in private sector organizations with less than 10 employees and the number of women likely to find a comparator under the Act currently have been subtracted from the total number of women working in these sectors.

Table 1-2B shows the number of men and women and the proportion of women working in all three-digit SIC codes with at least 60 percent female employees.

TABLE 1-2A

ESTIMATE OF THE NUMBER OF WOMEN IN PREDOMINANTLY FEMALE SECTORS
WHO COULD BENEFIT FROM THE PREDOMINANTLY FEMALE STUDY

	(1) Women in Sub-Sectors With at Least 60% Female <u>Employees</u>	(2) Women Working in Firms with More than <u>10 Employees</u>	(3) Women in Jobs Likely to Find a <u>Comparator</u>	(4) Women Likely to Benefit from Recommendations from the Predominantly Female Study
<u>Private Sector</u>				
Mfg.	51,000	47,000 (93%)	22,000 (46%)	25,000
Retail	165,000	124,000 (75%)	36,000 (29%)	88,000
Finance & Insurance	74,000	69,000 (93%)	21,000 (30%)	48,000
Services	135,000	115,000 (85%)	34,000 (30%)	81,000
Tourism	40,000	34,000 (85%)	13,000 (38%)	21,000
Sub-total	465,000	389,000	126,000	263,000
<u>Public Sector</u>				
Health & Social Services*	259,000		39,000 (15%)	220,000
Education	128,000		77,000 (60%)**	51,000
Libraries	8,000		1,000 (15%)	7,000
Subtotal	395,000		117,000	278,000
TOTAL	<u>860,000</u>	<u>389,000</u>	<u>243,000</u>	<u>541,000</u>

* Not including private Offices of Physicians, Surgeons and Dentists.

** The proportion of male jobs is not this high, but it is expected that most female jobs will find a comparator.

SOURCE OF FIGURES IN TABLE 1-1B

Column (1): Women in Sub-sectors with at Least 60 percent Female Employees

The Federal Government has a system of Standard Industrial Classification (SIC) which identified sectors of the economy based on what they produce. The number of men and women working in Ontario within each three-digit SIC code is available. Based on this data, sub-sectors which have 60 percent female employees have been identified. There are 43 three-digit SIC code sectors which employ at least 60 percent women. The names of these 43 sectors and the number of men and women working in each sub-sector is also given. These data are 1986 Census Data for Ontario for Persons 15 Years and Over who Worked since January 1, 1985.

Column (2): Women Working in Firms with More than 10 Employees

Private sector employers with fewer than ten employees are not covered by the Pay Equity Act. The proportion of women working for firms with less than ten employees was estimated from two sources. The first is Statistics Canada's Small Business Inventory. Data are provided on the proportion of men and working in organizations with 0 to 4.9 full-time-equivalent (FTE) workers and 5 to 19.9 FTE workers. The second data source is the proportion of women working in firms with less than ten employees from the quantitative study of predominantly female sectors conducted under the auspices of the Pay Equity Office.

Column (3): Women Likely to Find a Comparator

The quantitative study of predominantly female sectors provides information on the proportion of male jobs found in sectors. It is estimated the proportion of male jobs is the proportion of female employees who will find a comparator. On the one hand, this is an over-estimate because it is unlikely that each male job will serve as a comparator since some are likely to be senior management jobs for which there is no female job of equal or comparable value. On the other hand, this figure is an under-estimate. This is because women's jobs tend to have more incumbents per job title than do male jobs, so those male jobs which do serve as a comparator are likely to cover a larger proportion of female employees than is reflected in the proportion of male jobs.

Column (4): Women Who Could Benefit from the Recommendations of the Predominantly Female Study

Column (1) is multiplied by the percentage of women working in private sector firms with more than ten employees and this figure is shown in Column (2). Column (3) -- the number of women likely to find a male comparator -- is subtracted from Column (2) to arrive at Column (4).

TABLE 1-2B

MEN AND WOMEN IN THE LABOUR FORCE
IN PREDOMINANTLY FEMALE SECTORS*

PRIVATE SECTORS

	<u>MEN</u>	<u>WOMEN</u>	<u>PERCENTAGE</u>
<u>MANUFACTURING</u>			
17-Leather & Allied Products Industries			
171-Leather & Allied Products Industries	5,415	9,260	63%
171-Assigned**	250	355	
24-Clothing Industries			
243-Men's & Boys' Clothing Industries	2,550	9,815	79%
244-Women's Clothing Industries	1,730	8,715	83%
245-Children's Clothing Industry	275	1,385	83%
249-Other Clothing & Apparel Industries	3,330	10,705	76%
243-249-Assigned	390	1,405	
28-Printing, Publishing and Allied Industries			
283-Publishing Industries	3,855	5,780	60%
283-Assigned	141	185	
37-Chemical and Chemical Products Industries			
377-Toilet Preparations Industry	1,730	3,100	64%
377-Assigned	50	93	
<u>Total</u>	19,716	50,797	72%

	<u>MEN</u>	<u>WOMEN</u>	<u>PERCENTAGE</u>
<u>RETAIL</u>			
60-Food, Beverage and <u>Drug Industries, Retail</u>			
603-Prescription Drugs and Patent Medicine Stores	7,380	19,720	73%
603-Assigned	279	689	
61-Shoe, Apparel, Fabric <u>& Yarn Industries Retail</u>			
611-Shoe Stores	3,580	5,315	60%
613-Women's Clothing Stores	1,905	19,480	91%
614-Clothing Stores n.e.c.	2,855	9,595	77%
615-Fabric and Yarn Stores	495	3,525	88%
611-615-Assigned	308	1,336	
64-General Retail <u>Merchandising Industries</u>			
641-General Merchandise Stores	27,515	73,895	73%
641-Assigned	1,005	2,700	
65-Other Retail Store Industries			
651-Book and Stationery Stores	2,085	5,710	73%
652-Florists, Lawn and Garden Centres	3,105	6,390	67%
656-Jewellery Stores and Watch and Jewellery Repair Shops	3,490	6,470	65%
658-Toy, Hobby, Novelty and Souvenir Stores	2,475	9,020	78%
651-658-Assigned	400	1,000	
Total	56,877	164,845	74%

	<u>MEN</u>	<u>WOMEN</u>	<u>PERCENTAGE</u>
<u>FINANCIAL AND INSURANCE</u>			
<u>70-Deposit Accepting Intermediary Industries</u>			
703-709	14,435*	40,000*	73%
703-Trust Companies			
704-Deposit Accepting Mortgage Companies			
705-Credit Unions			
709-Other Deposit Accepting Intermediaries			
703-709-Assigned	360	1,070	
 <u>73-Insurance Industries</u>			
731-733	20,940	32,215	61%
731-Life Insurers			
732-Deposit Insurers			
733-Property and Casualty Insurers			
731-733-Assigned	650	955	
 Total	36,385	74,240	67%

TOURISM

<u>91-Accommodation Service Industries</u>			
911-Hotels, Motels & Tourist Courts	24,290	37,495	61%
912-Lodging Houses and Residential Clubs	400	795	67%
911-912-Assigned	1,215	1,279	
 Total	25,905	39,569	60%

*Estimated so as to remove those working in banks which are federally not provincially regulated.

	<u>MEN</u>	<u>WOMEN</u>	<u>PERCENTAGE</u>
<u>PERSONAL SERVICE</u>			
<u>77-Business Service Industries</u>			
771-Employment Agencies and Personnel Suppliers	5,930	14,935	72%
776-Offices of Lawyers and Notaries	13,945	25,120	64%
771 & 776-Assigned	556	1,225	
 <u>96-Amusement and Recreational Service Industries</u>			
966-Gambling Operations	715	1,385	66%
 <u>97-Personal and Household Service Industries</u>			
971-Barber & Beauty Shops	6,900	23,485	77%
972-Laundries and Cleaners	6,870	12,065	64%
974-Private Households	2,985	20,590	68%
979-Other Personal and Household Services	3,060	15,260	81%
971-979-Assigned	835	2,610	
 <u>98-Membership Organization Industries</u>			
983-Professional Membership Associations	1,180	2,555	68%
986-Civic & Fraternal Organizations	3,590	6,395	64%
983 & 986-Assigned	209	456	
 <u>99-Other Service Industries</u>			
996-Travel Services	2,915	8,870	75%
996-Assigned	98	285	
 Total	 49,787	 135,236	 73%

PUBLIC SECTOR

<u>EDUCATION</u>	<u>MEN</u>	<u>WOMEN</u>	<u>PERCENTAGE</u>
<u>85-Educational Service Industries</u>			
851-Elementary and Secondary Education	72,245	118,870	62%
854-Library Services	1,885	8,505	82%
859-Other Educational Services	1,525	2,685	64%
851-859-Assigned	1,708	6,199	
Total	77,363	136,259	64%
 <u>HEALTH AND SOCIAL SERVICES</u>			
<u>86-Health and Social Service Industries***</u>			
861-Hospitals	29,045	132,795	82%
862-Other Institutional Health and Social Services	9,320	52,530	85%
863-Non-Institutional Health Services	3,630	9,575	73%
864-Non-Institutional Social	7,455	36,315	83%
866-Office of Other Health Practitioners	2,505	9,005	78%
867-Offices of Social Services Practitioners	255	495	66%
868-Medical and Other Health Laboratories	1,890	6,460	77%
869-Health and Social Service Associations and Agencies	1,450	4,110	74%
861-869-Assigned	1,793	7,522	
Total	57,343	258,807	82%
TOTAL (public)	134,706	395,066	75%
TOTAL	323,376	859,754	73%

* From 1986 Census, Ontario data for persons 15 years and over who worked since January 1, 1985.

** "Assigned" category is based on judgement of Statistics Canada when there is insufficient data to place people into a 3-digit code.

*** Excluding Offices of Physicians, Surgeons and Dentists in private practice who employ 35,000 women in private sector organizations of usually fewer than 10 employees.

APPENDIX 1-3

RESULTS FROM THE QUANTITATIVE STUDY

Results from the quantitative study provide a profile of the kinds of organizations found in predominantly female sectors. Such information is useful to keep in mind as the options are assessed.

1-3.1 Data base for quantitative study

The quantitative study analyzed data compiled from questionnaires collected from over 4,000 Ontario employers in predominantly female sectors. Table 1-3A shows the number of organizations, jobs and employees in each sector of the quantitative study data base.

TABLE 1-3A

NUMBER OF ORGANIZATIONS, JOBS AND EMPLOYEES IN
EACH SECTOR OF QUANTITATIVE STUDY DATA BASE

	<u>Organizations</u>	<u>Jobs</u>	<u>Employees</u>
<u>Public sector</u>			
Childcare	481	2,511	8,077
Hospitals	115	3,291	37,406
Health care	348	3,668	24,726
Community/social	419	3,149	11,957
Libraries	235	1,568	5,083
Sub-total	1,598	14,187	87,249
<u>Private sector</u>			
Apparel mfg.	281	2,805	15,591
Other manufacturing	278	4,313	25,436
Retail	274	2,244	14,284
Personal service	238	2,271	21,646
Tourism	296	2,926	15,117
Sub-total	1,367	14,559	92,074
TOTAL	2,965	28,746	179,323

1-3.2 Characteristics of predominantly female sectors

The study provided information about predominantly female sectors in terms of size, degree of unionization, gender predominance, and the likelihood of female jobs finding male comparators. Some of these findings are summarized below:

(1) Size

Organizations in the predominantly female sectors tend to be small, with the exception of financial institutions. Seventy-six percent of public sector organizations have fewer than 50 employees. In the private sector 69 percent have

between 10 and 49 employees. This suggests that any option selected should be viable within organizations which do not have sophisticated compensation systems nor human resource professionals.

(2) Degree of unionization

All the predominantly female sectors, with two exceptions, are primarily non-union (in over 75 percent of the organizations studied there is no unionization). In the health care sector about half of the organizations are unionized. The educational sector is also highly unionized.

This means the employee complaint mechanism will be the primary means to ensure pay equity has been achieved correctly. Thus the pay equity solution should be easily understandable to those with no compensation expertise.

(3) Gender predominance

The public sectors are highly female predominant. The proportion of female dominant jobs varies from 77 percent in community and social services to 93 percent in childcare. Only 6 percent of the jobs in childcare to 17 percent in community and social services are male dominant jobs. The remaining jobs, 1 percent to 5 percent, are gender neutral.

In the private sectors the ratio of female to male dominant jobs is closer to a 60:40 split in apparel, retail, personal service and tourism; while other manufacturing is closer to 50:50 overall (Appendix 1-2 indicates which sub-sectors have at least 60 percent female employees).

(4) Likelihood of female jobs finding male comparators

Evidence that a different means of achieving pay equity is needed is based on the likelihood that female jobs in these

sectors will find a comparator. This is illustrated in Table 1-3B below. Table 1-3B is based on an examination of the proportion of female and male jobs found in the following eight hierarchical categories:

- Managerial
- Supervisory
- Experienced professional
- Entry-level professional
- Semi-professional and technical
- Skilled blue and white collar
- Semi-skilled blue and white collar
- Entry-level blue and white collar

The hierarchical categories provide an approximation of job value. Jobs found within the same hierarchical category are more likely to be of equal or comparable value than jobs in different categories. The definitions for each hierarchical category are found in section 1-3.3 and the data from which Table 1-3B was developed are provided in section 1-3.4.

Table 1-3B shows where it is likely (+) and unlikely (-) that most female jobs will find comparators within each hierarchical category in each sector. This is based on the following guidelines:

Probability of most
female jobs finding
a male comparator

Condition

Likely:	An equal or higher proportion of male jobs to female jobs within the hierarchical category.
Unlikely:	Fewer than half of the female jobs are likely to find a comparator.

TABLE 1-3B

PROBABILITY OF MOST FEMALE JOBS FINDING
A MALE COMPARATOR JOB WITHIN EACH SECTOR

	PROFESSIONAL					Blue and white collar SEMI-		
	M	S	EXP	ENT	SEMI	SKILLED	SKILLED	ENTRY
<u>Public sectors</u>								
Childcare	-	-	-	-	-	-	-	-
Hospitals	+	-	+	-	-	-	-	+
Health care	-	-	-	-	-	-	-	-
Community & Social	+	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-
<u>Private sectors</u>								
Apparel	+	-	+	-	+	-	-	-
Other mfg.	+	+	+	+	+	-	-	-
Retail	+	-	+	-	-	-	-	-
Personal serv.	+	+	+	-	-	-	-	-
Tourism	+	-	+	-	+	-	-	-

Key:

M = managerial
S = supervisory
EXP = experienced professional
ENT = entry-level professional
SEMI = semi-professional/technical

+ = likely to find
comparator
- = unlikely to find
comparator

Table 1-3B shows that almost no female jobs within the public sectors studied are likely to find male comparators. Some female jobs in hospitals will find comparators and it is presumed that most female jobs in educational institutions will find comparators.

Within the private sector, there is a greater likelihood that higher-level female jobs will find comparators, while it is unlikely that any skilled, semi-skilled or entry-level jobs will.

1-3.3 Definition of hierarchical categories

Managerial:

Jobs which require managing other managers or making policy (example: department head).

Supervisory:

First-line supervisors who oversee the work of non-managers, and who are themselves supervised by managers (example: supervisor, foreman/forewoman).

Experienced Professional:

Jobs requiring an advanced post-secondary degree or approximately five years of related experience (examples: librarian, senior engineer).

Entry-Level Professional:

Jobs requiring a post-secondary degree (examples: social worker, accountant).

Semi-Professional and Technical:

Jobs which usually require formal, off-the-job training, often from a community or technical college (examples: early childhood educator, library technician, registered nursing assistant, medical laboratory technologist/technician).

Skilled:

Jobs which require a high level of skill and a comprehensive knowledge of the processes involved in the work -- often gained through extensive work experience or training. Includes those working in offices who perform work which is predominantly non-manual, those engaged in selling or who provide personal services and those involved in manual labour and/or work with machinery. Vocational preparation is usually more than one year (examples: heavy machinist, equipment driver, salesperson, word processor).

Semi-Skilled:

Jobs which require skill levels greater than entry level and involve a higher degree of independent judgement. They usually require from one month to one year of vocational preparation (examples: cashier, clerk typist, cook, janitor, sewing machine operator).

Entry Level:

Jobs which require little or no independent judgement. Vocational preparation is of very limited duration, usually from a few days to one month (example: beginning cleaner, cook's helper, file clerk, unskilled labourer).

1-3.4 Tables used to produce Table 1-3B:

Proportion of Female, Male and Gender-Neutral Jobs
by Hierarchical Categories within Sectors

Managerial

	Number of Jobs	Female Jobs	Male Jobs	Gender- Neutral Jobs
<u>Public Sector</u>				
Childcare	233	85%	11%	4%
Hospitals	348	59%	40%	1%
Health Care	474	79%	18%	3%
Social/Com.	467	59%	38%	3%
Libraries	196	75%	25%	0%
<u>Private Sector</u> (employers with 10 or more employees)				
Apparel	294	27%	66%	7%
Manufacturing	577	15%	79%	6%
Retail	265	27%	62%	11%
Personal Serv.	293	31%	59%	10%
Tourism	308	29%	56%	15%

Supervisory

	<u>Number of Jobs</u>	<u>Female Jobs</u>	<u>Male Jobs</u>	<u>Gender- Neutral Jobs</u>
<u>Public Sector</u>				
Childcare	391	98%	2%	0%
Hospitals	249	75%	19%	6%
Health Care	449	85%	14%	1%
Social/Com.	434	76%	20%	4%
Libraries	111	89%	7%	4%
<u>Private Sector</u> (employers with 10 or more employees)				
Apparel	265	47%	39%	14%
Manufacturing	476	34%	57%	9%
Retail	216	50%	42%	8%
Personal Serv.	196	38%	46%	16%
Tourism	235	51%	35%	14%

Experienced Professional

	<u>Number of Jobs</u>	<u>Female Jobs</u>	<u>Male Jobs</u>	<u>Gender- Neutral Jobs</u>
<u>Public Sector</u>				
Childcare	290	95%	5%	0%
Hospitals	119	60%	31%	9%
Health Care	369	89%	9%	2%
Social/Com.	326	78%	15%	7%
Libraries	146	89%	9%	2%
<u>Private Sector</u> (employers with 10 or more employees)				
Apparel	107	34%	58%	8%
Manufacturing	372	30%	62%	8%
Retail	126	36%	39%	25%
Personal Serv.	242	44%	41%	16%
Tourism	106	38%	53%	9%

Entry-Level Professional

	<u>Number of Jobs</u>	<u>Female Jobs</u>	<u>Male Jobs</u>	<u>Gender- Neutral Jobs</u>
<u>Public Sector</u>				
Childcare	173	97%	3%	0%
Hospitals	429	83%	12%	5%
Health Care	188	93%	6%	1%
Social/Com.	286	81%	10%	9%
Libraries	45	96%	4%	0%

Private Sector

(employers with 10 or more employees)

Apparel	53	62%	30%	8%
Manufacturing	170	39%	45%	16%
Retail	38	56%	41%	3%
Personal Serv.	90	44%	38%	18%
Tourism	78	51%	37%	12%

Semi-Professional and Technical

	<u>Number of Jobs</u>	<u>Female Jobs</u>	<u>Male Jobs</u>	<u>Gender- Neutral Jobs</u>
<u>Public Sector</u>				
Childcare	499	97%	2%	1%
Hospitals	280	85%	9%	6%
Health Care	384	91%	6%	3%
Social/Com.	455	82%	11%	7%
Libraries	220	94%	5%	1%

Private Sector

(employers with 10 or more employees)

Apparel	92	42%	52%	6%
Manufacturing	280	40%	50%	10%
Retail	104	73%	23%	4%
Personal Serv.	131	47%	38%	15%
Tourism	86	35%	59%	6%

Skilled (blue & white collar)

	<u>Number of Jobs</u>	<u>Female Jobs</u>	<u>Male Jobs</u>	<u>Gender- Neutral Jobs</u>
<u>Public Sector</u>				
Childcare	182	89%	9%	2%
Hospitals	534	68%	10%	22%
Health Care	499	77%	21%	2%
Social/Com.	533	85%	12%	3%
Libraries	308	87%	12%	1%
 <u>Private Sector</u> (employers with 10 or more employees)				
Apparel	867	56%	40%	4%
Manufacturing	1186	50%	33%	17%
Retail	542	66%	30%	4%
Personal Serv.	532	62%	31%	6%
Tourism	520	52%	38%	10%

Semi-Skilled

	<u>Number of Jobs</u>	<u>Female Jobs</u>	<u>Male Jobs</u>	<u>Gender- Neutral Jobs</u>
<u>Public Sector</u>				
Childcare	354	89%	10%	1%
Hospitals	659	82%	9%	9%
Health Care	676	89%	11%	0%
Social/Com.	343	79%	15%	6%
Libraries	254	85%	14%	1%
 <u>Private Sector</u> (employers with 10 or more employees)				
Apparel	708	64%	29%	7%
Manufacturing	771	61%	33%	6%
Retail	524	72%	25%	3%
Personal Serv.	412	64%	28%	8%
Tourism	719	57%	31%	12%

Entry Level (blue & white collar)

	<u>Number of Jobs</u>	<u>Female Jobs</u>	<u>Male Jobs</u>	<u>Gender- Neutral Jobs</u>
<u>Public Sector</u>				
Childcare	187	85%	12%	3%
Hospitals	489	64%	34%	2%
Health Care	435	91%	6%	3%
Social/Com.	132	84%	13%	3%
Libraries	189	88%	8%	4%
<u>Private Sector</u>				
(employers with 10 or more employees)				
Apparel	316	62%	32%	6%
Manufacturing	370	61%	29%	10%
Retail	289	56%	32%	12%
Personal Serv.	269	52%	33%	15%
Tourism	578	50%	37%	13%

APPENDIX 1-4

TERMS OF REFERENCE FOR PREDOMINANTLY FEMALE STUDY

Five options were considered for achieving pay equity in predominantly female sectors of the economy. Here is the initial thinking about testing four of the options. (The testing of the reduction the percentage threshold was done internally.) The ideas presented here do not include the complete testing program. Based on the findings to some of these initial questions the direction of further testing will be determined.

Comparators anywhere in the organization

The main issue is how many additional female jobs will be able to achieve pay equity under this option. This option contributes to the achievement of pay equity when all of the following conditions are met:

- o A female job class has no comparators within a geographic location;
- o There is a male comparator in another geographic location; and
- o "Establishment" has been defined such that these geographic locations are kept separate

The first issue will be to consider the likelihood that these three conditions exist in each of the nine sectors.

For those sectors where these conditions could exist, it will be necessary to assess where (e.g., industry) and/or for how many organizations these conditions actually exist.

Within these organizations, the number of affected female job classes will need to be determined.

Proportional Value

There are three issues to study. From this further questions are expected to develop. Two approaches are possible under this option: wage line and formula.

Issue 1: How many male jobs are needed to draw a wage line, and to use the formula?

- o Simulate from quantitative data based on 2 to 10 jobs.
- o Simulate the affect on hypothetical female jobs of wage lines and formula.

Issue 2: Can employers and unions who may not have much experience in this area be encouraged to use wage lines or formula?

Develop self-instructing training material: Field test the material with employers and bargaining agents on hypothetical jobs.

Issue 3: How do the wage line and formula approaches compare on issues 1 and 2.

Issue 4: How effective will this option be in achieving pay equity?

Use training material developed for issue 2 with public sector and some large private sector employers who have already evaluated jobs but have a number of female job classes which found no comparators. These would have to be organizations which have the required number of male job classes to draw a wage line and use the formula.

Based on this experience, determine how many of these female job classes find male comparators using the proportional value comparisons. Also determine the relationship between the size of the pay equity adjustment for these job classes versus female job classes which found comparators using the present sequence -- inside, outside and throughout.

Proxy Comparisons

In testing the proxy comparison option there will be two phases. In addition, some alternatives need to be investigated.

Phase I: Phase I is concerned with identifying the appropriate proxy organization.

Issues: Selection of proxy organization

What are the appropriate proxy organizations within the health care and social service sectors?

What reasonable cooperation can be sought from the proxy organizations? What if such cooperation is not forthcoming?

Phase II: Phase II will be concerned with how a female job in the "seeking" organization finds a comparator in the proxy

organization and how the pay equity adjustment is determined.

Technical issues related to the following need to be tested:

Job information:

- o Is the necessary job information always available?
- o Is the job information in a form usable to the organization seeking the comparator?

Gender-neutral comparison system:

- o Can the seeking organization "borrow" the gender-neutral comparison system of the proxy organization?
- o When different systems are used in the seeking and proxy organizations, are different evaluations of the same job a problem?

Determining amount of adjustment:

- o Issue of equal dollar versus percentage adjustments.
- o Issues related to benefits.

Alternative means of achieving proxy comparison

Rather than have the seeking organization select a proxy organization it may be possible to develop a Job Match system. The state of Minnesota provided this service for local governments. A series of job descriptions of state jobs likely to be found in municipalities were prepared along with the value of these jobs within the state system. Local

governments were able to match their jobs to the state jobs and know instantly what the value of the job should be. The feasibility of a Job Match system will be explored.

The availability of data from publicly available sources (e.g., Statistics Canada, Pay Research Bureau) will be explored to determine if they provide a feasible means of carrying out proxy comparisons.

Average adjustment

At present two means of identifying average adjustment are outlined, there are issues related to each.

Where there is at least one match made:

Predominantly female organizations which are likely to have one or more comparisons can be identified from the quantitative data base. This would be done by separating out those organizations where it can be assumed there is no male comparator. These will be organizations where there are no male jobs, where male jobs are lower paid than any female jobs or where the only male job is the highest paid.

In those organizations where there is at least one match it would be possible to simulate the pay equity adjustment for various hierarchical levels.

No matches:

Phase I and Phase II issues discussed under the proxy comparison option are relevant here, so they will be studied simultaneously with respect to the average adjustment and proxy comparison options.

Combination of options.

Issues:

Which options are likely to work in which sectors?

Should there be an order in which the options must be considered or should employers and bargaining agents be allowed to determine the order?

APPENDIX 1-5
SUMMARY BACKGROUND OF RESEARCHERS FOR
PREDOMINANTLY FEMALE SECTORS STUDY

Jane Allan

Jane has a Masters degree in Political Science from York University. Most recently she held the position of Education Coordinator with the Cross Cultural Communication Centre in Toronto. Jane brings to the research team experience in the social services sector. She also has a knowledge of unions acquired while holding the position of Union Counsellor with the United Steelworkers of America.

Evan Altshuler

Evan has a doctorate degree in adult education and industrial psychology. He also has training in personnel administration, human resources planning, and organizational research and development practice.

**M. Suzanne
Findlay**

Sue is the author of the sectoral study on community and social services and brings to the research team her knowledge and understanding of this sector. She has held positions as lecturer for the Department of Political Science at York University; Senior Policy Analyst for the Ministry of State for Social Development; and Director of Women's Programs for the Department of the Secretary of State. Sue is completing her Ph.D. in Political Science at the University of Toronto.

Christina Gabriel

Chris is a doctoral candidate in political science at York University. She assisted Professor Pat Armstrong in the research and writing of the report on the health sector.

**Phyllis Marie
Jensen**

Phyllis holds a Ph.D. in Sociology and is a registered nurse. She has held a number of research positions including principal research on federal studies and has carried out numerous consulting projects which focused on work force issues. Phyllis brings to the research team a solid knowledge of the health sector as well as a strong background in statistics.

**Ruby Maini-
Gambhir**

Ruby held the position of Director, Compensation and Benefits at Women's College Hospital. Together with her financial/compensation background, Ruby has had both private and public sector experience. She is also enrolled in the M.B.A. program at York University.

Lisa Mendelson

Lisa obtained her M.Sc at the London School of Economics in England. She has conducted research on pay and employment equity. She has also held the positions of policy analyst and research analyst with the Ontario Ministries of Housing and Municipal Affairs. She has worked as a job analyst for private sector organizations.

Phebe-Jane Poole

Phebe has her own consulting service where the emphasis is on pay equity and employment equity. Phebe is a Ph.D. candidate in sociology at O.I.S.E. She holds a Masters Degree in Industrial Relations.

APPENDIX 1-6

STAKEHOLDER CONTACTS FOR TESTING OF FOUR OF OPTIONS*

Community-Based Groups

Association of Day Care Operators
Canadian Red Cross Society, Ottawa
Catholic Children's Aid Society, Toronto
Centre Town Day Care, Ottawa
Community Care of East York
Equal Pay Coalition
Faye Peterson House, Thunder Bay
Interval House of Hamilton-Wentworth
Lakehead Schoolhouse Playcare Centre, Thunder Bay
Lutheran Community Care Centre, Thunder Bay
Metro Toronto Association for Community Living
Northwestern Regional Child Care Committee, Thunder Bay
Ontario Association of Children's Aid Societies
Ontario Association for Community Living
Ontario Association of Professional Social Workers
Ontario Coalition for Better Child Care
Ontario Home Support Association
St. Christopher's House, Toronto
Sprint, Toronto
Visiting Homemakers, Toronto
Yellow Brick House, Aurora

*To preserve the anonymity of the individuals contacted only the names of their organizations or associations are listed. Their views may or may not represent the views or opinions of the entire organization or association with which they are associated.

Employers and Employer Associations

Apparel Manufacturers Association of Ontario

Arbor Living Centres

Bally Shoes

Blackburn Group Inc.

Bradgate

Britnell's

Brockville General Hospital

Cambridge Hospital

Campbell House

Campbell Soup Company Ltd.

Canadian Manufacturers Association

Canadian Travel Courier

Coopers & Lybrand

Carol Milne & Associates

Car Care

De Beradini's

Devonsleigh Place

Fairview Cleaners

Fern Resort

First National Travel

Gem Gallery

Hotel Selby

Kasman-Sheldon M. Ltd.

Kent Drugs

Lac Mac

Employers and Employer Associations (continued)

Lake of the Woods District Hospital
Langdon's Coach Lines
Luxon Shoes
MDS Labs
Molly Maid
Morin Russell
Mother Tucker's
Museum for Textiles
Myles Lou Manufacturing Ltd.
Ontario Hospital Association
Ontario Hotel and Motel Association
Ontario Motor Coach Association
Ontario Nursing Home Association
Ontario Restaurant and Food Services Association
Ontario Tour & Travel Service
Ontario Travel Industry
Peel Memorial Hospital
Performance Printing
Sunnybrook Hospital
Title Dress
The Alliance of Canadian Travel Associations
Toronto Hospital
Travel Associations (Canada) Inc.
Wickett & Craig
Woods Gordon

Unions and Union Associations

Amalgamated Clothing and Textile Workers Union
Association of Allied Health Professionals
Canadian Brotherhood of Railway Transport and General Workers
Canadian Union of Public Employees
CUPE Local 1582 (Metro Toronto Library Workers)
CUPE Local 1996 (Toronto Public Library Workers)
International Ladies' Garment Workers' Union
International Leathergoods, Plastics and Novelty Workers Union
Ontario Federation of Labour
Ontario Nurses Association
Ontario Public Service Employees Union
Retail, Wholesale and Department Stores Union
Service Employees International Union

Government

City of Thunder Bay,
Employment Equity Program

Metropolitan Toronto,
Pay Equity Office

Ministry of Community and Social Services,
Child Care Branch

Ministry of Consumer and Commercial Relations

Ministry of Culture and Communications, Libraries and
Community Information Branch

Ministry of Health

Provincial Municipal Social Service Review Committee

Regional Municipality of Ottawa-Carlton,
Children's Services

Other

Chief Executives of Large Public Libraries (CEPLO)

Milton Public Library

North York Public Library

Ontario Physiotherapy Association

Peterborough Public Library

School of Library and Information Science

Toronto Public Library

APPENDIX 1-7

PAY EQUITY COMMISSION ADVISORY COMMITTEE MEMBERSHIP

Mr. Peter Barkla
Vice-President, Human Resources
Campbell Soup Company Ltd.

Ms Mary Cornish
Cornish and Associates

Ms Julie Davis
Secretary-Treasurer
Ontario Federation of Labour

Mr. Leo Gerard
Director, District 6
United Steelworkers of America

Ms Marg Gilles
Manager, Human Resources Planning
C.I.L. Inc.

Mr. Angelo Pesce
Director, Human Resources
Ryerson Polytechnical Institute

Mr. Hal Rolph
McMillan, Binch
Barristers and Solicitors

APPENDIX 2-1

DATA SHOWING ADDITIONAL MALE JOBS AT VARIOUS PERCENTAGE THRESHOLDS FOR EACH HIERARCHICAL LEVEL

In Tables 2-1A to 2-1H the first line provides the percentage of jobs at each threshold; the second line, the number of jobs found in the entire sector; and the third line shows the cumulative addition of male jobs at each percentage cut-off below 70 percent. "N" refers to the number of jobs in each sector.

TABLE 2-1A

PERCENTAGE AND NUMBER OF MALE JOBS AT VARIOUS PERCENTAGE THRESHOLDS FOR MANAGERIAL JOBS

	Proportion of female jobs	Percentage threshold for male jobs			
		<u>70%</u>	<u>65%</u>	<u>60%</u>	<u>55%</u>
Other manu- facturing (N=577)	15.1% 87	78.9% 455	81.3% 469 (14)	82.0% 473 (18)	82.1% 474 (19)
Personal services (N=293)	31.2 91	59.3 174	61.6 180 (6)	62.4 183 (9)	62.9 184 (10)
Tourism (N=308)	28.7 88	55.9 172	59.2 182 (10)	60.1 185 (13)	60.1 185 (13)

TABLE 2-1B

PERCENTAGE AND NUMBER OF MALE JOBS AT VARIOUS PERCENTAGE THRESHOLDS FOR SUPERVISORY JOBS

	Proportion of female jobs	Percentage threshold for male jobs			
		<u>70%</u>	<u>65%</u>	<u>60%</u>	<u>55%</u>
Other manu- facturing (N=476)	34.2% 163	57.0% 271	59.3% 282 (11)	60.3% 287 (16)	60.9% 290 (19)
Personal services (N=196)	38.2 75	45.5 89	49.5 97 (8)	51.8 102 (13)	52.1 102 (13)
Tourism (N=235)	51.1 120	35.1 165	38.0 89 (7)	39.4 93 (11)	40.2 94 (12)

TABLE 2-1C

PERCENTAGE AND NUMBER OF MALE JOBS
AT VARIOUS PERCENTAGE THRESHOLDS
FOR EXPERIENCED PROFESSIONAL JOBS

Proportion of women's jobs		Percentage threshold for male jobs			
		<u>70%</u>	<u>65%</u>	<u>60%</u>	<u>55%</u>
Other manu- facturing (N=372)	29.5%	62.3%	65.2%	65.9%	65.9%
	110	232	243 (11)	245 (13)	245 (13)
Personal services (N=242)	43.7	40.6	46.0	48.8	49.9
	106	98	111 (13)	118 (20)	121 (23)
Tourism (N=106)	38.1	52.8	55.7	56.9	56.9
	40	56	59 (3)	60 (4)	60 (4)

TABLE 2-1D

PERCENTAGE AND NUMBER OF MALE JOBS
AT VARIOUS PERCENTAGE THRESHOLDS
FOR ENTRY-LEVEL PROFESSIONAL JOBS

Proportion of female jobs		Percentage threshold for male jobs			
		<u>70%</u>	<u>65%</u>	<u>60%</u>	<u>55%</u>
Other manu- facturing (N=170)	39.2%	45.1%	50.3%	52.4%	52.4%
	67	77	86 (9)	89 (12)	89 (12)
Personal services (N=90)	44.4	37.7	39.3	43.6	46.5
	40	34	35 (1)	39 (5)	42 (8)
Tourism (N=78)	50.7	36.6	36.6	40.2	40.8
	40	29	29 (0)	31 (2)	32 (3)

TABLE 2-1E

**PERCENTAGE AND NUMBER OF MALE JOBS
AT VARIOUS PERCENTAGE THRESHOLDS
FOR SEMI-PROFESSIONAL AND TECHNICAL JOBS**

Proportion of
female jobs Percentage threshold for male jobs

		<u>70%</u>	<u>65%</u>	<u>60%</u>	<u>55%</u>
Other manu- facturing (N=280)	39.7% 111	49.2% 138	51.9% 145 (7)	52.6% 147 (9)	52.6% 147 (9)
Personal services (N=131)	47.2 62	38.1 50	43.0 56 (6)	43.5 57 (7)	45.5 60 (10)
Tourism (N=86)	35.1 30	59.2 51	63.0 54 (3)	63.0 54 (3)	63.0 54 (3)

TABLE 2-1F

**PERCENTAGE AND NUMBER OF MALE JOBS
AT VARIOUS PERCENTAGE THRESHOLDS
FOR SKILLED BLUE AND WHITE COLLAR JOBS**

Proportion of
female jobs Percentage threshold for male jobs

		<u>70%</u>	<u>65%</u>	<u>60%</u>	<u>55%</u>
Other manu- facturing (N=1188)	49.2% 584	43.5% 517	45.7% 543 (26)	46.6% 554 (37)	46.8% 556 (39)
Personal services (N=532)	61.9 329	30.8 164	32.2 171 (7)	33.2 177 (13)	33.8 180 (16)
Tourism (N=520)	50.7 264	38.9 202	41.2 214 (12)	41.8 217 (15)	42.9 223 (21)

TABLE 2-1G

PERCENTAGE AND NUMBER OF MALE JOBS
AT VARIOUS PERCENTAGE THRESHOLDS
FOR SEMI-SKILLED BLUE AND WHITE COLLAR JOBS

<u>Proportion of female jobs</u>		<u>Percentage threshold for male jobs</u>			
		<u>70%</u>	<u>65%</u>	<u>60%</u>	<u>55%</u>
Other manu- facturing (N=772)	60.2%	33.2%	34.8%	35.5%	35.7%
	465	256	269 (12)	274 (18)	276 (19)
Personal services (N=412)	63.0	29.2	30.3	32.0	32.5
	260	120	125 (5)	132 (12)	134 (14)
Tourism (N=719)	56.3	31.0	33.9	34.7	35.5
	405	223	244 (21)	249 (27)	255 (32)

TABLE 2-1H

PERCENTAGE AND NUMBER OF MALE JOBS
AT VARIOUS PERCENTAGE THRESHOLDS
FOR ENTRY-LEVEL BLUE AND WHITE COLLAR JOBS

<u>Proportion of female jobs</u>		<u>Percentage threshold for male jobs</u>			
		<u>70%</u>	<u>65%</u>	<u>60%</u>	<u>55%</u>
Other manu- facturing (N=372)	60.2%	28.8%	31.8%	32.2%	33.7%
	224	107	118 (11)	120 (13)	125 (18)
Personal services (N=269)	57.5	28.9	33.3	34.7	35.4
	155	78	90 (12)	93 (16)	95 (17)
Tourism (N=578)	49.8	37.3	40.5	43.3	43.8
	288	216	234 (18)	250 (35)	253 (38)

APPENDIX 3-1

IN-DEPTH ANALYSIS OF LIKELIHOOD OF FINDING COMPARATORS ANYWHERE IN PREDOMINANTLY FEMALE PRIVATE SECTORS

Manufacturing Sector

There are likely to be some male comparators within the establishment for female production jobs in the following industries: poultry products, sugar and confectionery, potato chip, pretzel and popcorn, musical instruments, and sound recording. In the following industries there will probably be few comparators: biscuit, motor vehicle fabrication, electronic products and components, other electric products, toilet preparation, clock and watch, toys and games, brush and broom and mop, and pharmaceutical and medicine. Few of these manufacturing processes are likely to require different kinds of jobs in different locations, thereby eliminating the "comparator anywhere" option.

Looking at industries in which there are a predominance of female employees in the administrative, office, and non-manufacturing jobs shows that the proportion of female administrative employees is greater in firms employing less than 20 people than in all other organizational sizes. Female jobs in these firms will both have difficulty finding male comparators within their establishments and will not be able to make use of the "comparator anywhere" option. The proportion of female employment in administration decreases significantly as the firm size increases. Thus, the likelihood of finding male comparators within the establishment increases as firms get larger.

Overall, female employees represent approximately 30 percent of those employed in the administration category in most industries. This concentration -- along with the large number of male employees in general -- suggests that this female labour force will have male comparator jobs in administration and production.

If both the production and the administration occupations are predominantly female, there are unlikely to be male comparators within the organization. Only four industries, which account for less than 3 percent (8,400) of the female employees, have more than 50 percent female concentration in both the production and the administrative occupations: sugar and chocolate confectionery; toilet preparations; the broom, brush and mop industry; and the musical instrument and sound recording industries. Over half of the firms in these industries employ less than 10 people.

TABLE 3-1A

PRODUCTION WORK AND RELATED OCCUPATIONS

<u>Industry</u>	<u>Number of Female Employees*</u>	<u>Female Concen- tration*</u>	<u>Firms with <10 Employ**</u>	<u>Firms w/ 10-99 Employ**</u>	<u>Firms w/ >100 Employ**</u>
FOOD:					
Poultry products	1,940	56%	-	-	-
Biscuit	1,569	62%	41%	20%	36%
Sugar & confec.	1,977	53%	53%	32%+	15%++
Potato chip, pretzel and popcorn	450	51%	42%	50%	7%
TRANSPORTATION EQUIPMENT:					
Motor veh. fab.	3,000	63%	35%	35%	30%
ELECTRICAL AND ELECTRONIC PRODUCTS:					
E'nic pts & comp.	3,309	57%	53%	41%	6%
Other electric.	1,580	62%	37%	46%	18%
OTHER MANUFACTURING:					
Toilet prepara'n	1,807	66%	34%	49%	16%
Clock & watch	251	54%	68%	32%	0%
Sprt'g goods & toys	1,100	53%	54%	42%	4%
Toys & games	1,075	70%	65%	25%	10%
Brush/broom/mop	429	62%	48%	44%	7%
Musical instrument & sound recording	462	52%	55%	44%	2%
CHEMICAL AND CHEMICAL PRODUCTS:					
Pharmaceutical & medicine	2,236	55%	38%	46%	27%

+ Figures are for firms with 10 to 49 employees

++ Figures are for firms with >50 employees

TABLE 3-1A (continued)

- Source: * "Pay Equity in Predominantly Female Establishments: Manufacturing Sector", Table 3 - Ontario Manufacturing By Industry Division and Sex, 1985.
- ** "Pay Equity in Predominantly Female Establishments: Manufacturing Sector", Table 2 - Distribution of Manufacturing Industries by Size of Establishments Ontario, 1987. Calculated after removing firms for which the number of employees is unknown or for which there were no recorded employees.

Leather, Textile and Clothing Sector

In leather, females predominate in footwear and luggage, purse and handbags. The two occupational categories -- production and related work, and administrative, office and other non-manufacturing -- are examined, it is noted that most female employees are in the production work category, while males are predominant in the administration category. It is likely that the female production workers will find male comparators within their establishments unless the males are all in the upper management categories in the administration occupations.

A large number of the leather goods firms are unlikely to be operating in different geographic areas because of their small size. In 1987, 30 percent of the establishments in the footwear industry had less than 10 employees, 27 percent had between 10 and 49 employees, and 43 percent had more than 50 people. In the luggage, purse and handbag industry, 33 percent of the organizations had less than 10 employees, 37 percent have had between 10 and 49 employees and 30 percent had greater than 50 employees. The larger leather goods firms that operate in more than one geographic area, are likely to have their workforce structured in the same manner in all locations. This means male comparators will not be found in other geographic locations. In

summary, the "comparator anywhere" option will not be useful in the leather goods industry.

In 1985, the textile manufacturing industry had a workforce that was 42 percent (10,383) female. In 1987, 51 percent of the organizations in this sector had less than 10 employees; 32 percent had between 10 and 49; and 17 percent had over 50 employees. So about 83 percent of the firms are unlikely to operate in multiple locations.

In 1985, there were three industries in the textile manufacturing sector with a workforce that was over 50 percent female: the household products industry (62 percent), the hygiene products industry (56 percent), and 'other' textile products (51 percent). They account for 47 percent of the female labour force in the textile industry.

Females are predominant in the production workers category and not in the administration category in two of the three female-predominant textile industries: hygiene products, and other textile products. The 937 female production workers in hygiene products are likely to find male comparators among the male administrative jobs. Since 53 percent of the employees in the administration category are male, it is likely there are male administrative jobs at other levels than management. For the 1,737 production workers in other textile products, there are 46 percent men in production jobs and 62 percent in administration jobs. Therefore, the identification of male comparators within establishments is likely, and the "comparator anywhere" option will be unnecessary. The household products industry, on the other hand, is predominantly female in both worker categories. Thus, the 1,822 female production workers and the 359 female administration workers could have difficulty finding male comparators both within the establishment and with the "comparator anywhere" option.

In all three of these textile industries, the size of the firms indicates a low probability of operations in more than one geographic area. The largest proportion (59 percent) of the establishments in the household products industry employ less than 10 people, 30 percent employ from 10 to 49 employees, and only 9 percent employ 50 or more. In the hygiene products industry 18 percent of the firms employ less than 10 employees, 45 percent employ 10 to 49 employees, and 36 percent employ more than 50 people. In other textile products, 50 percent employ less than 10 employees, 37 percent employ between 10 and 49 employees, and 14 percent employ over 50. Overall, the "comparator anywhere" option will not be viable in the textile sector.

The apparel manufacturing sector will not be able to use the "comparator anywhere" option because of the high concentration of females in virtually every industry in the sector. In 1985, 78 percent of this workforce was female. The only exception to the high female concentration is in the fur goods industry. However, because of their small size, fur goods firms will not be able to use this option either. In 1987, 44 percent of fur goods firms employ less than 10 employees, 37 percent employed between 10 and 49, and 19 percent employed over 50 employees.

Females are predominant in both the production and the administration occupations in all but four of the 21 industries within apparel. In three of those four industries, females are predominant in the production category and males in the administration category (see Table 3-1B). This occurs in the men's and boys' suit and jacket industry, the women's coats and jacket industry, and the glove industry. It is likely male comparators will be found within establishments in these industries. In the fourth industry, fur goods, the opposite occurs: females are

predominant in the administration category and males in the production category. The mainly female clerical workers will find comparators among the male production workers.

TABLE 3-1B
NUMBER AND PROPORTION OF WOMEN IN APPAREL,
TEXTILE AND LEATHER INDUSTRIES

	Number of female employees*	Percentage of female employees in**		
		<u>Total</u>	<u>Production</u>	<u>Administration</u>
LEATHER	8,170	59.4%	62.0%	43.9%
Footwear	6,678	64.2%	67.6%	45.5%
Luggage, purse, handbag	969	72.2%	76.5%	37.0%
TEXTILE	10,383	49.9%	43.0%	38.6%
Household	2,181	62.2%	64.4%	53.3%
Hygiene	937	55.8%	59.5%	46.6%
Other	1,737	50.9%	54.2%	37.9%
CLOTHING	26,256	77.5%	80.8%	55.7%
Men's & boys' suit & jacket	1,560	69.3%	72.5%	42.6%
Women's coat & jacket	594	67.6%	69.2%	49.4%
Glove	276	66.5%	68.8%	34.5%
Fur goods	238	42.2%	41.6%	50.3%

Source:

* "Pay Equity in Predominantly Female Establishments Leather, Textile, and Apparel Manufacturing Sector", Table 4: Number of Employees in Production and Related Work and In Administrative, Office and Non-Manufacturing Work by Industry, Industry Group and Sex, 1985.

TABLE 3-1B (continued)

** "Pay Equity in Predominantly Female Establishments Leather, Textile, and Apparel Manufacturing Sector", Table 4 and Table 4A: Percentage of Females in Production and Related Work and In Administrative, Office and Non-Manufacturing Work by Industry, Industry Group and Sex, 1985.

In conclusion, 2,441 of the 26,256 female employees in the predominantly female clothing industries might be in a position to use the "comparator anywhere" option, if they are in organizations large enough to be covered by the Act.

Retail Sector

The general merchandise industry, which is 55.1 percent female, has the greatest number of female employees, accounting for 30 percent of all females in the retail sector. Over 94 percent of females in general merchandise are found in organizations with over 100 employees and 91 percent are in organizations with over 500 employees. An additional 3 percent are found in organizations with less than 10 employees. Therefore, over 97.4 percent (102,906) of these female retail employees are in firms where male comparators are likely to exist or in firms not covered by the Act.

Women's clothing stores, which are 82.3 percent female, employ 7.6 percent of the females in the retail sector. Over 50 percent of the females employed in this industry division are in firms with more than 100 employees. Over 21 percent of the females are in firms with less than 10 employees. Therefore, the "comparator anywhere" option will not likely apply to 71.8 percent (19,195) of the females in this industry.

Other industry divisions with female concentration in excess of 56 percent account for over 14 percent of the total female employment

in the sector: drug stores (6.1 percent), cloth dry goods (4.2 percent), jewellery stores (2.2 percent), florist shops (1.2 percent) and tobacconists (0.4 percent). In these industries, firms with less than 10 and over 100 employees account for 54.1 percent (11,616) of female employment in drug stores, 70.3 percent (10,408) in cloth dry goods, 39.4 percent (3,054) in jewellery stores, 63.6 percent (2,686) in florist shops and 34.4 percent (485) in tobacconists. Locating male comparators may not be an issue either because of the large size of the organization or because the organization is not covered by the Act.

In summary, 58.6 percent of the female employees in predominantly female firms, or in firms where they are largely employed, are in firms with more than 500 employees; and 6.8 percent are found in firms with 100 to 499 employees. It is highly probable that firms of this size will have some male comparators. Approximately 15.3 percent of the female labour force is found in firms with less than 10 employees and are not covered by the Act. Thus, 80.7 percent of the female labour force in the retail sector are unlikely to need or are unable to use the "comparator anywhere" option due to organizational size alone. The remaining 53,054 female employees in these firms will not necessarily be able to use the "comparator anywhere" option, since 70 percent (37,211) will be working for firms that do not operate in more than one geographic location; those that do, are likely to have a workforce that is identically structured in each geographic location. Some of the remaining female employees in this sector (15,843) could be affected by the "comparator anywhere option".

Tourism Sector

(a) Travel Industry

The travel industry can be described as including all services to travellers. Federally regulated industries such as air, train, and boat travel were not investigated; since they are outside the scope

of the legislation. Statistical analyses of several areas (bus, taxi, and other transportation) indicated that such industries were not pertinent to the study, as they were predominantly male or had close to equal proportions of female and male staff. The following two industries within the travel industry were examined: travel agencies and tourism associations.

There are probably 5,500 to 6,500 people employed in travel agencies in Ontario. Most employees (85 percent to 95 percent) are female; they will have difficulty finding male comparators. Men are the owners or managers in the retail agencies and in the larger wholesale agencies. All travel agencies -- including the larger ones -- are structured similarly, providing no additional comparators in other geographic locations.

The majority of travel associations are small (2 to 10 full-time employees and some part-time seasonal employees) and predominantly female. They are likely to operate in a single location. In conclusion, the "comparator anywhere" option will not solve the problem of the lack of male comparators in the tourism sector.

(b) Accommodation and Food Industry

In 1987, 610,000 people were directly employed in the accommodation and food industry in Canada. In 1986, census data noted that the Ontario industry had a 59.2 percent (127,485) female labour force. This sector has been divided into two industries: restaurants and hotels.

In 1987, 60 percent of the restaurants employed less than 9 people, 30 percent employed between 10 and 49, 4 percent employed 50 to 99, and less than 2 percent had over 100 employees.

In the restaurant industry, the smaller the organization the more probable that a greater number of women will be employed. For example, in restaurants with less than five foodservice workers,

65 percent would be female and 35 percent would be male; while in restaurants with more than 100 foodservice workers, 45 percent would be female and 55 percent would be male. The smaller of these organizations are less likely to operate in more than one geographic division. Therefore, in those larger organizations, are likely to operate in more than one geographic area, the proportion of males to females is such that more comparators could probably be found within the same geographic area.

While there are a greater number of restaurants in the small size categories, there are a greater number of people employed in medium to large size restaurants. For example, in restaurants with less than 20 employees, there are a total of 48,510 foodservice employees (55 percent female), and in restaurants with 20 and over employees, the total number of foodservice employees is 96,297 (44 percent female). In this industry, a large organization would be a chain of restaurants with a supporting administrative structure. Again, the larger restaurants are likely to have male comparators, since the proportion of females is less. Therefore, for most female employees, the "comparator anywhere" option will not be necessary.

An important consideration in the restaurant industry is that the ratio of women to men varies by geographic region. There are approximately equal numbers of men and women in foodservice in Toronto, while in all other regions and cities in Ontario there are a significantly higher number of women than men. These predominantly female restaurants, located outside Toronto, could possibly be compared to male comparators found inside Toronto. However, organizations of this size are a minority in this sector. Only a small percentage of female employees could be affected by the "comparator anywhere" option within the restaurant industry.

In 1987, there were 2,983 hotels and motels and an estimated 51,755 employees. In very large organizations there is a fairly even split of male and female workers. However, in the 55 percent of

smaller firms with less than 5 employees, there is a predominance of women staff. The "comparator anywhere" option would not benefit these female employees due to the small size of the organizations.

(c) Cultural Industries

This industry includes museums, art galleries, and theatres. In 1987, there were 202 museum and archive establishments in Ontario, of which 73.8 percent employed less than 10 employees, and only 7.4 percent employed more than 50. The Ontario Association of Art Galleries (OAG) noted that there are 27 public galleries in Ontario which employ a total of 137 people. The staff size ranges from 3 to 35 people, most of whom are females found in all occupational categories. Museums and art galleries, by their very nature, do not tend to have multiple locations in different geographic locations.

Furthermore, in the large federal and provincial institutions and in municipally operated institutions, female employees will come under the civil servant job evaluation and wage schedules and may be members of unions.

There are fairly even ratios of men and women employed in theatres. However, most of the middle management and support occupations are filled by women, as either paid or volunteer staff. Most of the general management and production directors are men. This industry is not likely to have employers who operate in more than one geographic location.

(d) Amusement Parks

Approximately 63 percent of amusement parks employ less than 9 people and 11.6 percent employ more than 50 people. There is no evidence to suggest there is a predominance of female employees, though there is occupational segregation. More outdoor work is performed by men; more retail, housekeeping, and clerical work is

done by women. Those organizations that have more of a retail or accommodation focus reported a predominantly female workforce because their sales force and housekeeping staff are all female. Owners and senior management staff are almost always male.

The "comparator anywhere" option is unlikely to be a workable alternative, since the majority of organizations in this sector are not covered by the Act. Furthermore, the employer will not likely operate in more than one geographic area.

Therefore, the "comparator anywhere" option does not seem to be viable for the tourism sector. The one exception is the small portion of restaurants that have predominantly female establishments outside Toronto and predominantly male or equal representation in establishments in Toronto. As noted, this accounts for much less than 6 percent of restaurants.

APPENDIX 4-1
FORMULA APPROACH TO PROPORTIONAL VALUE

The formula and an explanation of the terms are provided below.

$$\frac{\text{Sum of (Job rate divided by points for each male job class)}}{\text{Number of Male Job Classes}}$$

Where:

Job rate: The highest rate of pay as defined in Implementation Series #11: Job Rate - Salaries (benefits can be addressed later or can be calculated into the job rate.)

Points: The point values assigned as a result of a gender-neutral comparison system.

Number of male job classes: Total number of male job classes for which information is being collected and the formula is being applied.

There are four steps to using the formula. The process is illustrated with data from a fictitious hospital in Table 4-1A below. The first step is to gather information on the job value (column "b") and job rate (column "c") for male job classes within an establishment. The value of jobs must be expressed in points.

Table 4-1A
MALE JOB CLASSES - FORMULA APPROACH

a	b	c	d
<u>Job class</u>	<u>Job value in points</u>	<u>Job rate</u>	<u>\$/point</u>
Patient Porter	375	\$11.40	\$.030/point
Maintenance worker	410	11.92	.029/point
Electronic Technologist	615	13.26	.022/point
Paramedic	655	18.37	.028/point
Assistant Purchaser	800	19.80	.025/point
Bio-medical Engineer	890	21.97	.025/point
Director of Planning	927	26.00	<u>.028/point</u>
		Total	\$.187/point

The second step is to divide the current job rate (column "c") by the points (column "b") to determine the dollar value of each point. This number is placed in column "d" as shown in the table above.

The next step is to determine the average dollar value per point for the seven male jobs. First add up column "d". In this example the total of column "d" is \$.187/point. Divide this result by 7, since there are 7 male jobs.

$$\frac{$.187}{7} = $.027/\text{point}$$

Each point in this particular hospital is worth \$.027. on average, for male job classes. Pay equity is achieved by using this "dollars per point" figure to determine the appropriate job rate for the female job classes. To do this, \$.027 is multiplied by the number of points assigned to each female job class. This results in a new job rate (column "e" in Table 4-1B) for each female job class. For example, in Table 4-1B below, the supply clerk job is

valued at 370 points (column "b"). This is multiplied by \$.027 to determine that the new job rate -- including the pay equity adjustment -- is \$9.99 (column "e").

Table 4-1B

FEMALE JOB CLASS -- FORMULA APPROACH

a	b	c	d	e	f
<u>Job Class</u>	<u>Point Value</u>	<u>Current Job Rate</u>	<u>\$/point</u> (from p.2)	<u>New Job Rate</u>	<u>Adjust-ment (per hour)</u>
Supply clerk	370	9.72	0.027	9.99	0.27
Dietary aide	380	10.01	0.027	10.26	0.25
Typist	425	10.45	0.027	11.48	1.03
Technologist	620	16.90	0.027	16.74	.00*
R.N.	843	18.55	0.027	22.76	4.21
Director of nursing	1031	22.18	0.027	27.84	5.66

* When the new job rate (in column "e") is the same or lower than the existing job rate (in column "c"), then the existing job rate remains the same.

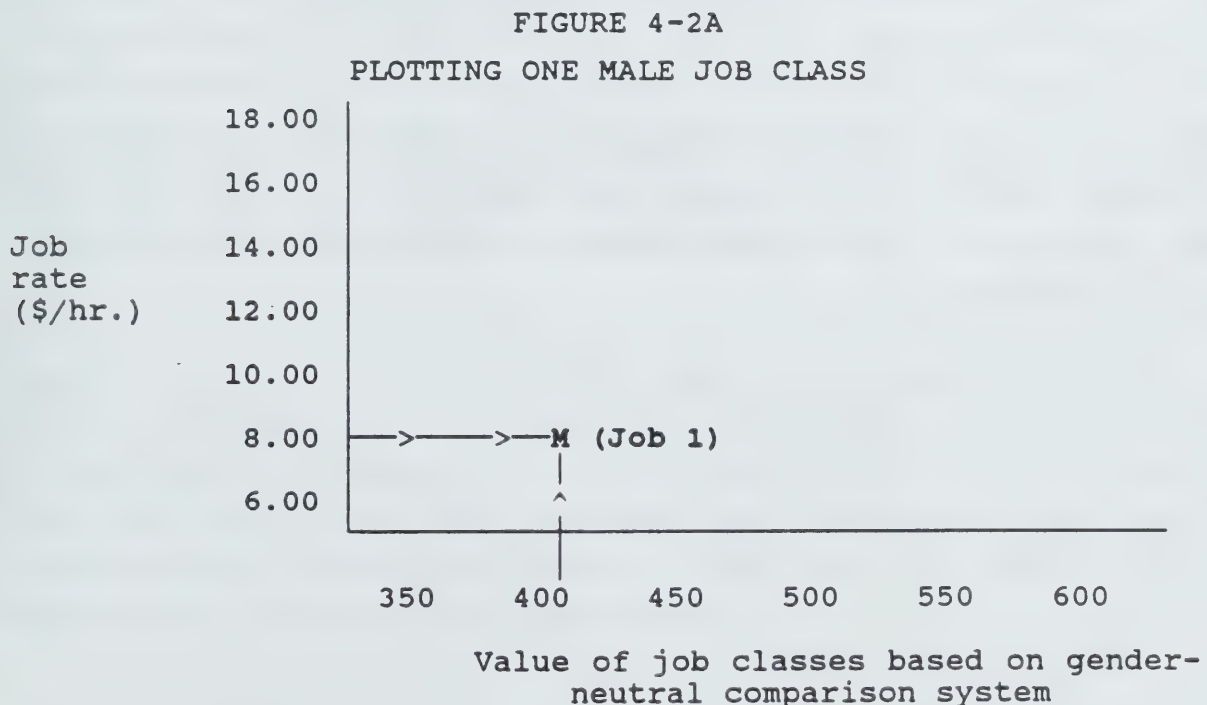
The pay equity adjustment (column "f") is determined by subtracting the current job rate (column "c") from the new job rate (column "e"). For the supply clerk, \$9.72 is subtracted from \$9.99, indicating a pay equity adjustment of \$0.27 per hour. For the dietary aide, the adjustment is \$0.25 (= \$10.26 - \$10.01).

APPENDIX 4-2

HOW TO DRAW A WAGE LINE AND IDENTIFY PAY EQUITY ADJUSTMENTS

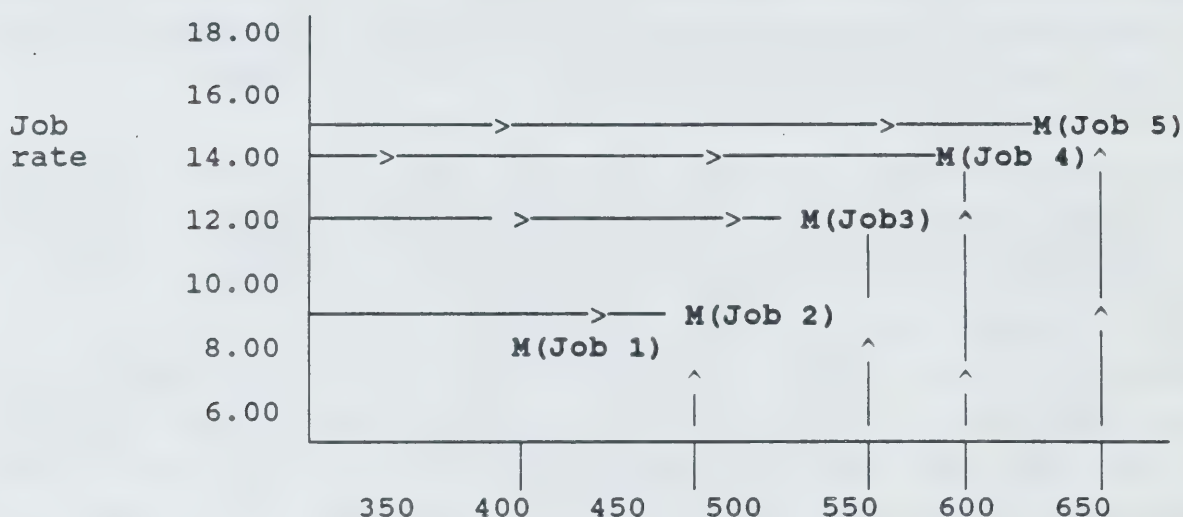
A wage line is drawn on a graph. The graph has a vertical axis showing job rates, and a horizontal axis showing the value of jobs as determined by a gender-neutral comparison system. While the value of jobs can be expressed in points, this method also works if job classes are ranked or graded (the point value system is used in the example in Figure 4-2A below).

Each male job class is placed on the graph by locating its job rate and value. This is done by identifying where the male job class is located on the horizontal axis in terms of its value. A line is drawn straight upwards from this point. Then the job rate is identified on the vertical axis. A line is drawn straight across from this point. An "M" is placed where the two points intersect. The "M" shows the value and job rate of the male job class. Figure 4-2A below illustrates the plotting of a male job class (Job 1) on a graph.



Each male job class is located on the graph by its job rate and value as shown in Figure 4-2B.

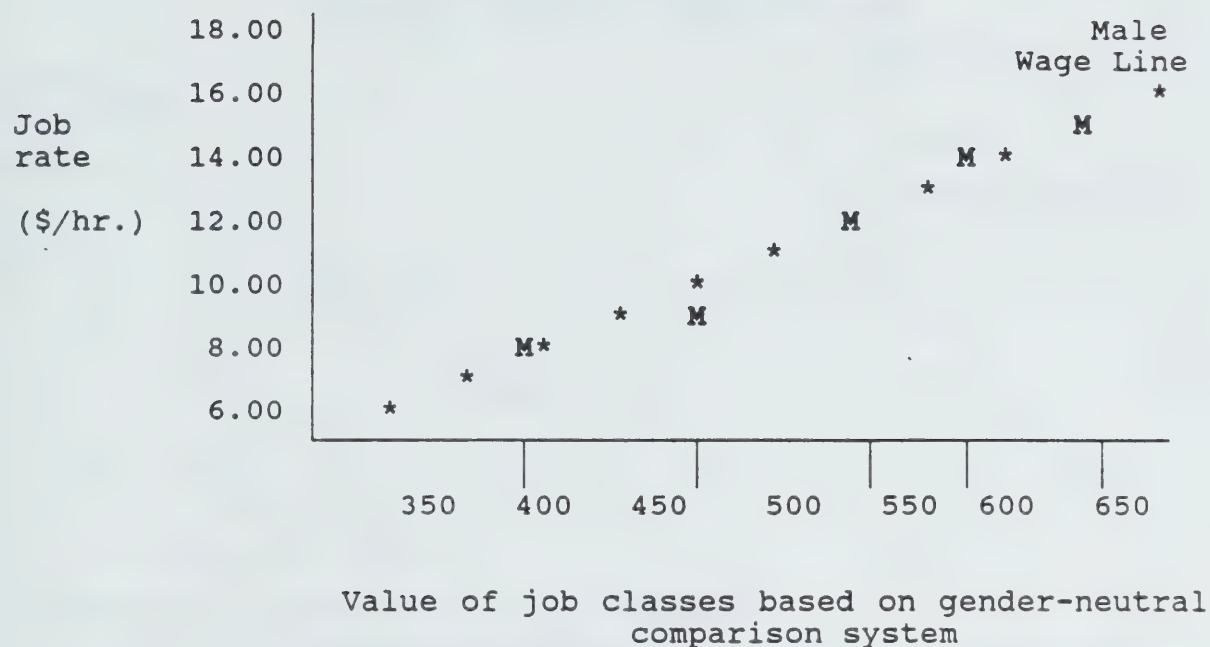
FIGURE 4-2B
PLOTING OTHER MALE JOB CLASSES



Value of job classes based on gender-neutral comparison system

Now it is possible to create a wage line by drawing a straight line reflecting the M's on the graph (see Figure 4-2C). The wage line shows the general relationship between job value and job rate for male job classes.

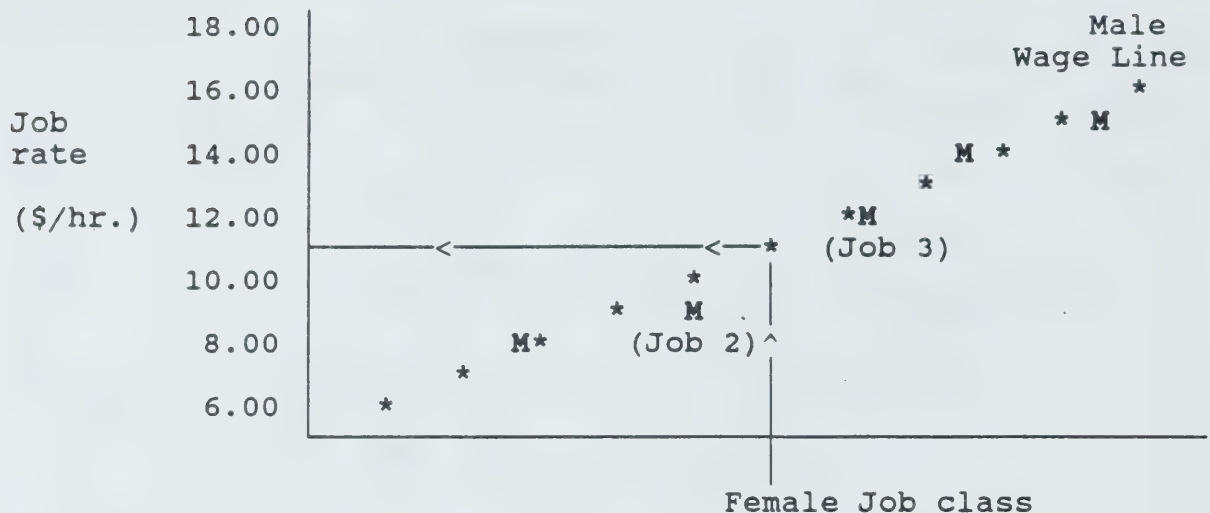
FIGURE 4-2C
DRAWING THE WAGE LINE



Not all the M's will fall on the wage line. In fact, it is not necessary that any of them actually be on the wage line. Rather, the wage line is drawn to best reflect the pattern of M's. The line is accurately drawn when the sum of the distances between the wage line and all the M's above the line is equal to the sum of the distances between the line and all the M's below the line. (These calculations can be done by hand or by computer using a procedure called multiple regression.)

Once the male wage line is drawn the specific M's are no longer needed. The wage line can now be used to determine how much any female job class should be paid. This is done by finding the value of the female job class on the horizontal axis, going straight up from this point until the male wage line is reached, then moving straight across leftwards to the vertical axis and reading off the appropriate job rate (see Figure 4-2D).

FIGURE 4-2D
 DETERMINING PAY EQUITY FOR FEMALE JOB CLASS
 USING MALE WAGE LINE
 (PROPORTIONAL VALUE COMPARISON)



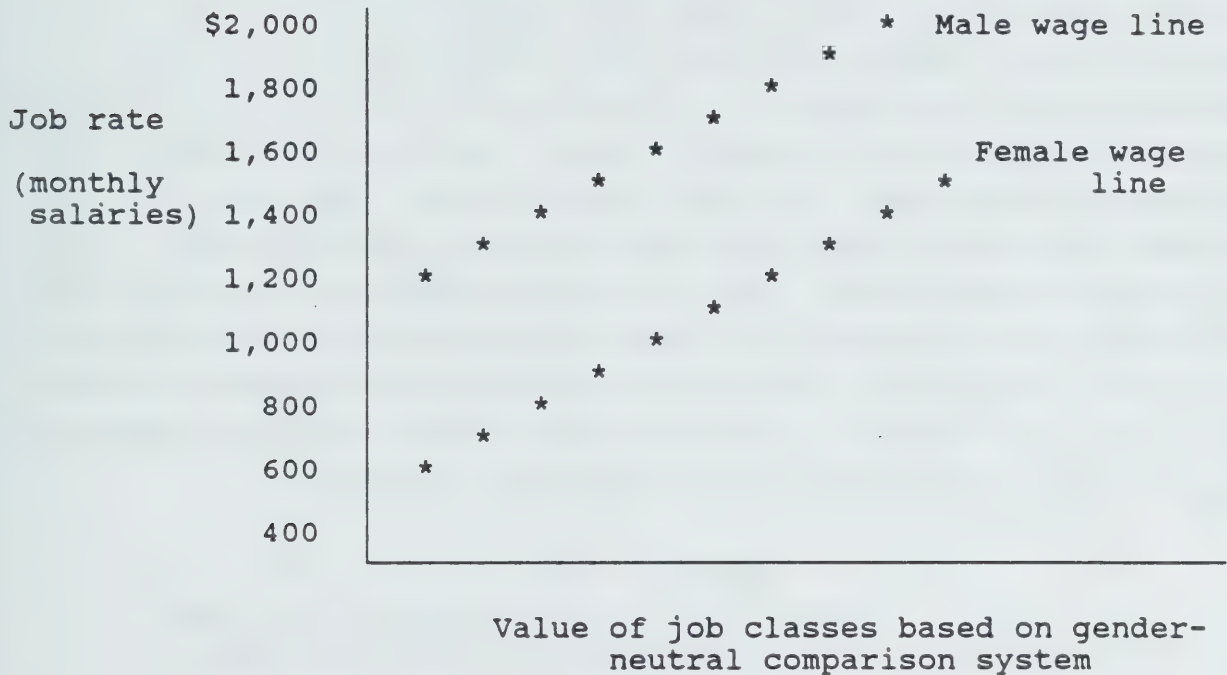
Value of job classes based on gender-neutral comparison system

In this example, the female job class value is between male job classes two and three. Under the Pay Equity Act currently, it would receive no adjustment. However, from the wage line it can be determined that this job class should be paid \$11.00 per hour. If the existing job rate for the female job class is less than \$11.00/hour, a pay equity adjustment is required.

The procedure for identifying the pay equity adjustment for the female job class shown in Figure 4-2D is referred to as the job-to-line approach. The female job class is moved onto the wage line. This is the simplest means of using the wage line to do pay equity, but it is not the only way. It is also possible to use a line-to-line approach. The line-to-line approach involves drawing a female wage line in addition to the male wage line (see Figure 4-2E).

Figure 4-2E

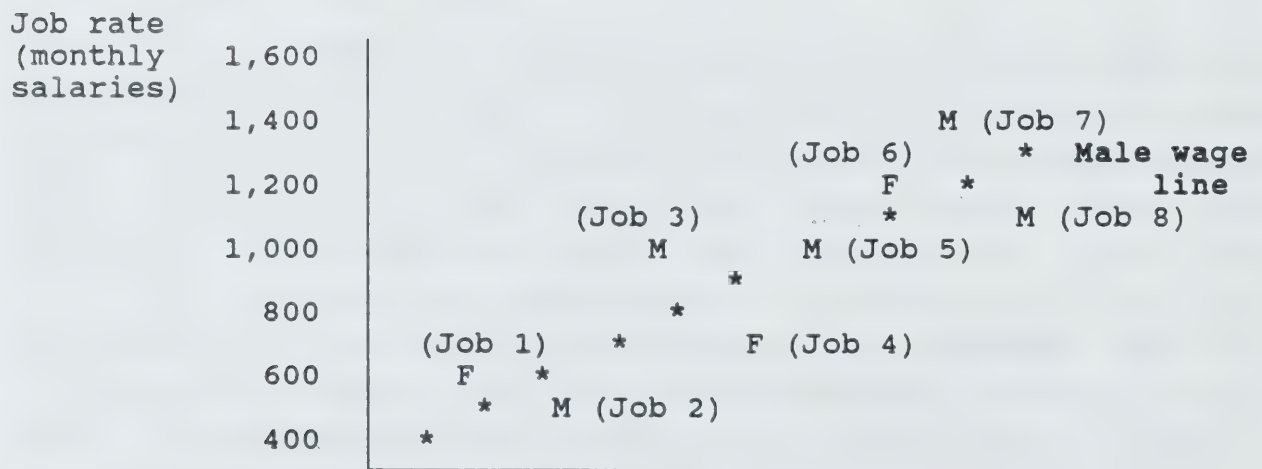
TWO WAGE LINES AT DIFFERENT WAGE LEVELS



Using this approach, pay equity is determined by raising the female wage line to match the male wage line. Matching the two wage lines does not change the relationship of any particular job class to the wage line. Those female job classes that were paid above the female wage line (such as jobs 1 and 6 in Figure 4-2F) maintain their same relationship to the male wage line (and those below the wage line maintain their same relationship); that is, the whole female wage line is moved up to the male wage line, and with it all the female job classes (indicated by F's in Figure 4-2F). The female job classes will then receive pay equity adjustments based on their relationship to the male wage line (whether above or below it), rather than by direct comparisons to the male wage line. Therefore, the female job classes can receive adjustments both above and below the job rates on the male wage line.

Since the male wage line is drawn in the same way as the female wage line, there are also male job classes above and below the wage line. So when pay equity is achieved using the line-to-line approach, there is a single wage line (identical to the male wage line) with some female and male job classes above it, and some female and male jobs below it. Overall, the total set of female and male job classes are treated fairly. This means the pay equity adjustments resulting from the line-to-line approach can be different than those resulting from the job-to-line approach. This is because, as noted above, the line-to-line approach maintains the relationship of the female job classes to each other and relative to the male wage line; whereas the job-to-line approach adjusts each female job class to the male wage line --thereby possibly changing the relationship among female job classes.

FIGURE 4-2F
RELATIONSHIP OF FEMALE JOB CLASSES TO WAGE LINE AFTER
FEMALE WAGE LINE IS MATCHED WITH MALE WAGE LINE



Value of job classes based on gender-neutral comparison system

One of the potential disadvantages of the line-to-line approach is that a particular female job class which is close in value to a male job class could be paid below the wage line, while the male

job class is paid above the wage line. However, the opposite is equally likely to occur; that is, the female job class may be above the line, while the male job class is below the line.

APPENDIX 4-3
SOME ISSUES RELATED TO WAGE LINES
FOR THOSE WHO ROUTINELY USE THEM

The discussions in Appendices 4-1 and 4-2 provide a very basic explanation of wage lines. However, some employers and bargaining agents are quite familiar with wage lines. In these situations, two issues are likely to be raised about the use of wage lines for the achievement of pay equity:

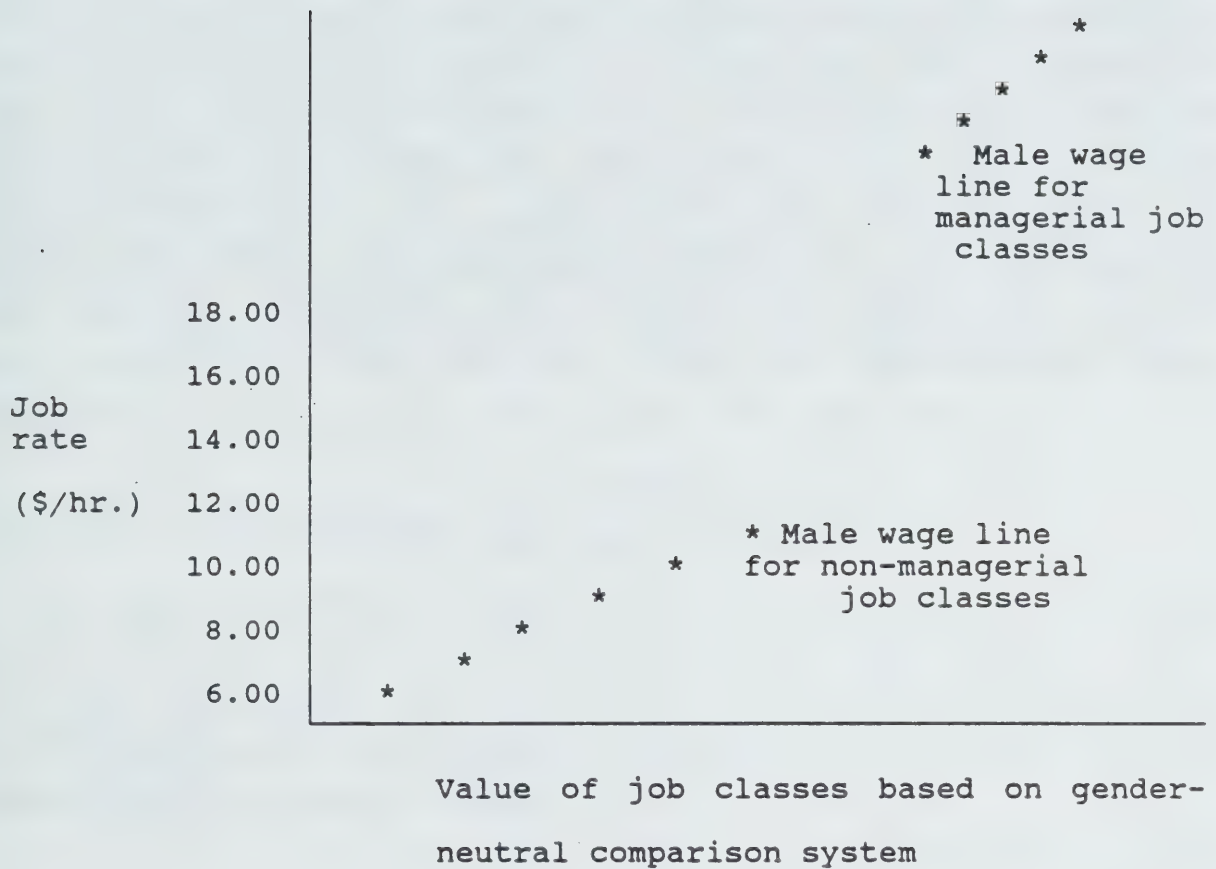
- o the use of multiple wage lines
- o the shape of the wage line

These issues are not expected to be of concern to those who are only using wage lines for pay equity purposes, since they will likely use a single, linear wage line.

Use of multiple wage lines

The discussion in Chapter 4 identified the need for an adequate spread of male job classes across the range of female job classes using the male wage line. One related issue is the use of multiple wage lines. In some organizations there is a different relationship between job value and job rate for male job classes at different hierarchical levels. In other words, the "dollars per point" amount is different. This typically occurs between managerial and non-managerial jobs. This situation is shown in Figure 4-3A.

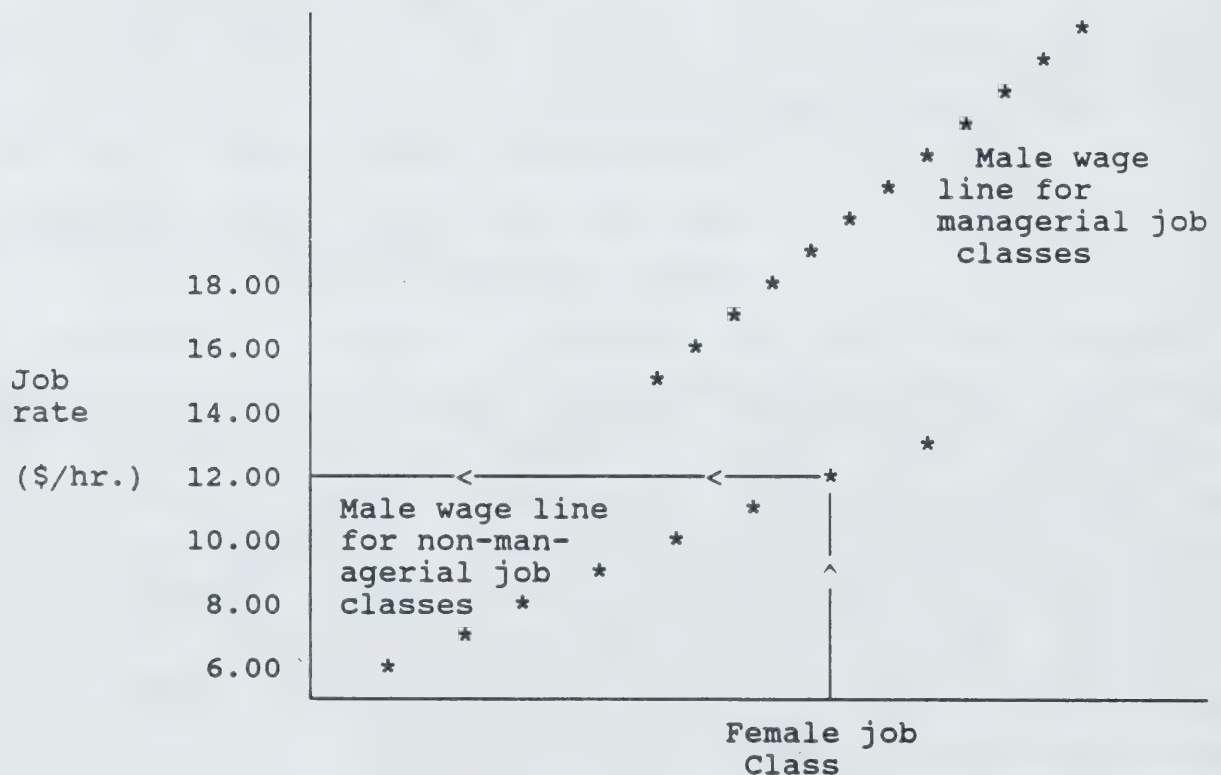
FIGURE 4-3A
MULTIPLE MALE WAGE LINES



Pay equity can be carried out in a gender-neutral manner with multiple wage lines. Female job classes would be compared to the male wage line that is most appropriate; that is, non-managerial female job classes would use the non-managerial male wage line, while managerial female job classes would use the managerial male wage line. However, it is possible that the decision as to which wage line to use may not be clear, for two reasons. First, it may not be clear whether some female job classes are managerial or non-managerial. The very under-valuation of female job classes that pay equity addresses, may mean that the management component of women's jobs is unrecognized. Second, in some cases where there are multiple wage lines, the two lines overlap so that there are two male wage lines which can be used for the same job value.

Both of these problems can be addressed in the same manner. Figure 4-3B shows two overlapping male wage lines. This situation could be present in the organization, or the two lines could have been extended to overlap because it was unclear which male wage line should be used. In this situation, any female job class would be paid from the lower male wage line. This is consistent with subsection 6(3)(a) of the Pay Equity Act which states that where there is more than one possible male comparator of equal or comparable value that "at least" the lowest must be used.

FIGURE 4-3B
OVERLAPPING MALE WAGE LINES



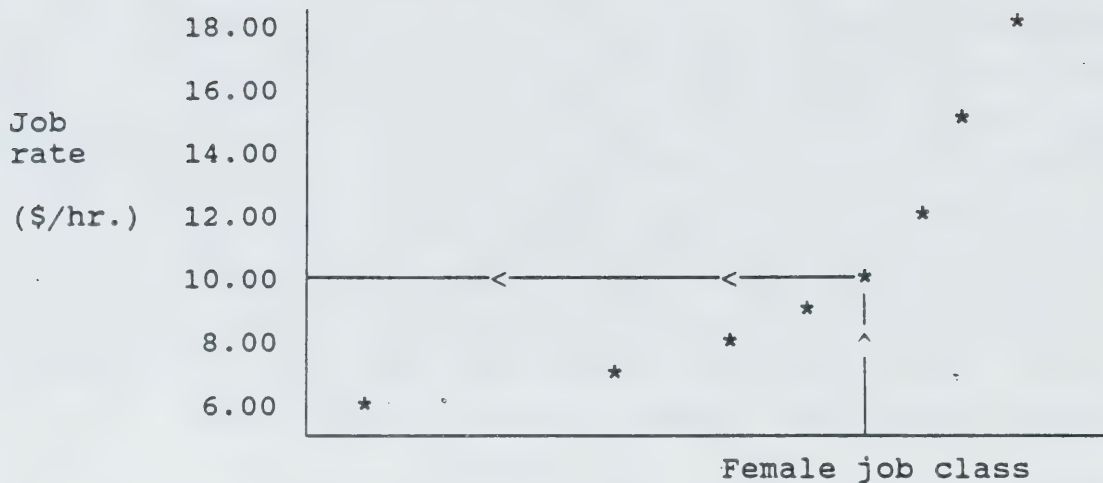
Value of job classes based on gender-neutral comparison system

If there are enough male job classes, and if the female job classes are likely to be appropriately compared to jobs within a particular hierarchical level, then only these jobs need be used. However, if there are any female job classes which could be compared to jobs in another hierarchical level, then the male wage line from these jobs must also be drawn. In other words, more than one wage line can be drawn within an establishment, if this is consistent with the spirit of finding the appropriate comparator. However, the argument that there is more than one wage line cannot be used to avoid the drawing of a wage line within a particular hierarchical span. That is, if there are three male jobs anywhere within the organization these must be used to draw the wage line.

Shape of the wage line

All the wage line examples used so far have shown the wage line as a straight line. However, it is possible for wage lines to curve (i.e., be curvilinear); that is, the relationship between job value and job rate is such that it does not form a straight line but has a bend in it as shown in Figure 4-3C.

FIGURE 4-3C
CURVILINEAR WAGE LINE

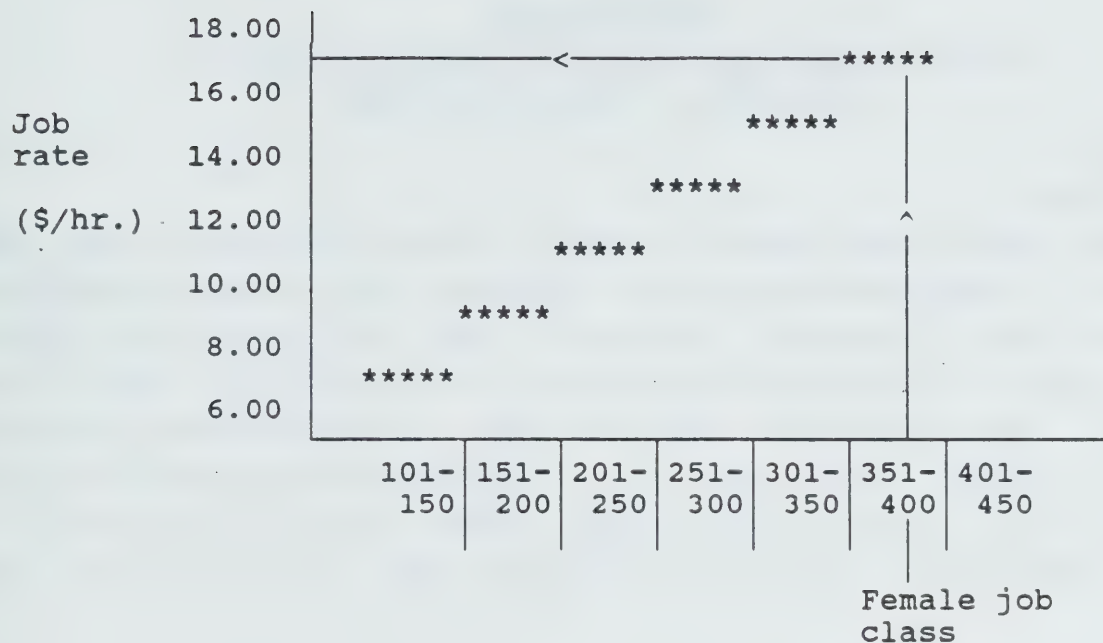


Value of job classes based on gender-neutral comparison system

Wage lines are never curved into a "U" shape since this would mean that jobs of lower value (in the left half of the "U") would be paid as much or more than higher-valued jobs (in the right half of the "U"). Nor do wage lines zig-zag as would often occur if one just connected the M's. However, some organizations have curvilinear wage lines (shown in Figure 4-3C) that pay small differences as job value increases for a while (the left side of the horizontal axis), and then pay larger amounts for smaller differences in value (on the right side of the horizontal axis).

It is also possible for wage lines to look like steps. This occurs because job classes are put into grades; that is, job classes within a certain point spread are deemed to be of comparable value and are all paid the same job rate. Assume, as shown in Figure 4-3D, that every 50 points are grouped together to signify jobs of comparable value. In this example, the value of the female job class is between 351 to 400 points.

FIGURE 4-3D
STEP SHAPED WAGE LINE



Value of job classes based on gender-neutral comparison system

Organizations that can demonstrate they have used multiple, curvilinear, step, or other wage line shapes before January 1, 1988 (effective date of the Pay Equity Act) should be able to use such wage lines to determine proportional value. These variations are also allowed when they are bargained between the parties and there is no gender-biased impact.

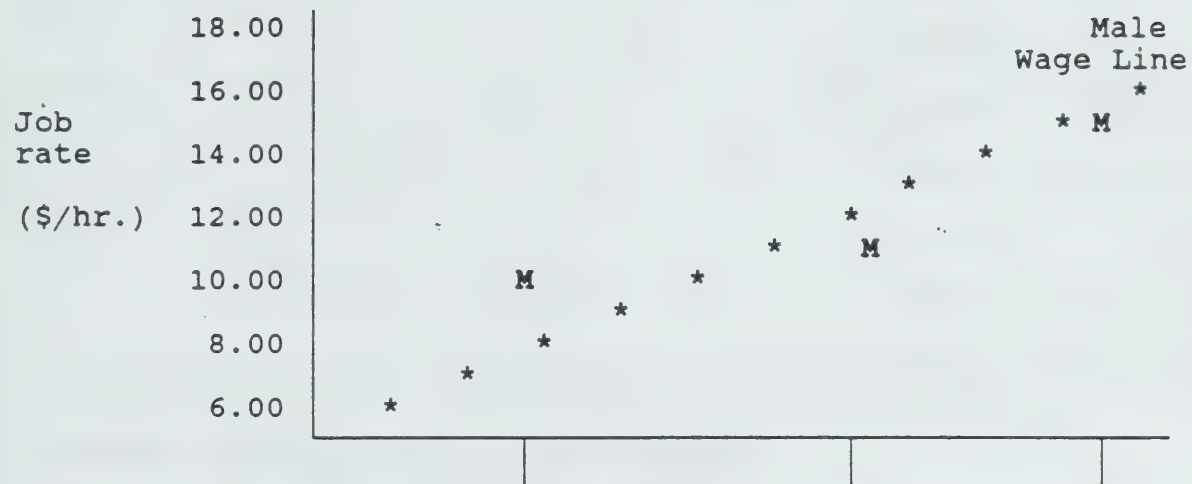
APPENDIX 4-4
NUMBER OF MALE JOB CLASSES NEEDED TO USE THE
WAGE LINE OR FORMULA APPROACH

Only two points are needed to draw a wage line (or to use the formula) in compensation practice. However, this is not sufficient for pay equity purposes. If one of the job classes is either highly under or over-paid for its value it will distort the entire process. The distortion means the line (or "dollars per point") does not reflect the appropriate relationship between the job rate and the value for male job classes. Such distortion could be in either direction -- reflecting salaries that are too high or too low.

Using three male job classes will always provide a more reliable estimate for a wage line (or for the formula). However, it is not just the number of male job classes but their "spread" in terms of value that must be considered. This is best understood by looking at a wage line. Figure 4-4A shows a wage line which is drawn when the three male job classes are spread across the horizontal axis:

one reflects a job of low value, one of medium value, and one of high value.

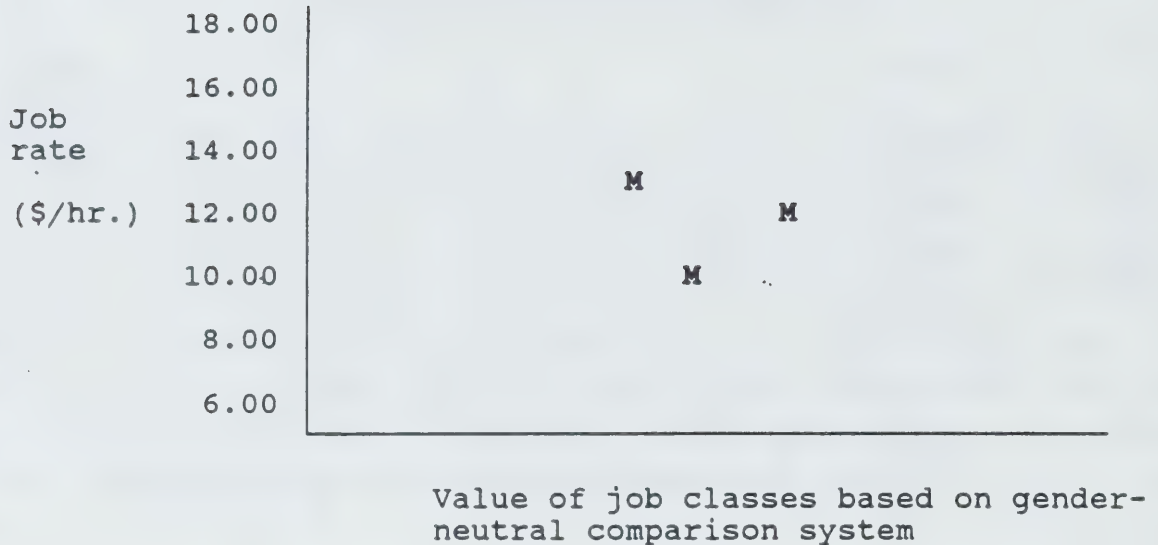
FIGURE 4-4A
WAGE LINE WHEN POINTS ARE SPREAD



Value of job classes based on gender-neutral comparison system

In this case it is easy to draw an accurate wage line because the M's "guide" the line throughout the range of values (low to high). However, if the three jobs are not spread but are all of mid-value, for example, it is more difficult to draw the wage line (see Figure 4-4B).

FIGURE 4-4B
POINTS ARE CLUSTERED



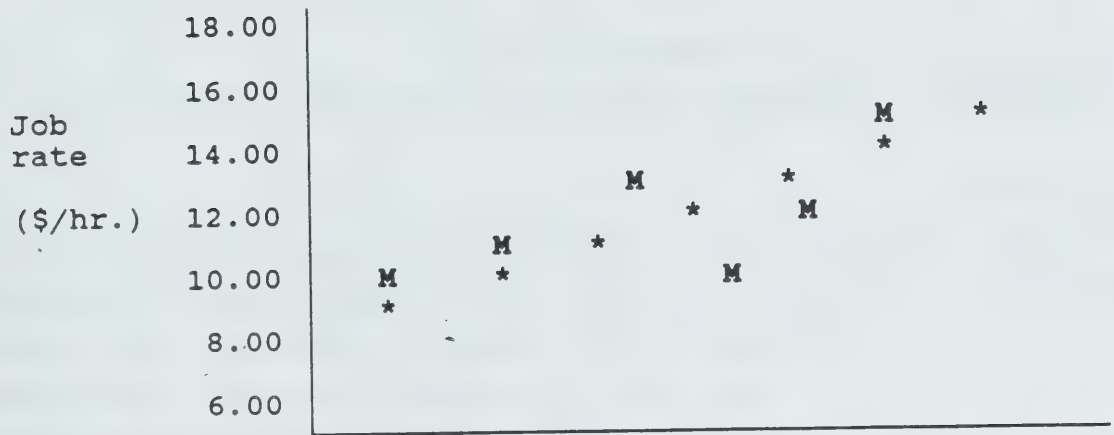
In this case, it is very difficult to draw a male wage line that is accurate. Based on research, it has been determined that it is necessary to have either

- (a) at least three male job classes spread over the range of the job values, or
- (b) at least six male job classes.

Figure 4-4C shows the wage line which could be drawn with six male job classes. This includes the three in Figure 4-4B plus an additional three.

FIGURE 4-4C

WAGE LINE BASED ON SIX MALE JOB CLASSES



Value of job classes based on gender-neutral comparison system

APPENDIX 5-1

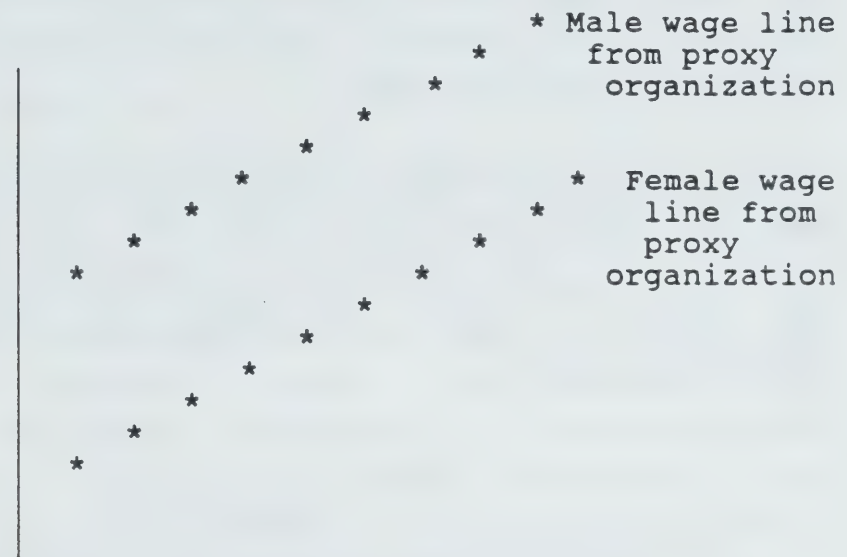
DEVELOPMENT OF THE WAGE GAP APPROACH TO PROXY COMPARISONS

This approach involves borrowing the gender wage gap from a proxy organization. The gender wage gap reflects the overall pattern of under-valuation of female job classes found in the proxy organization. The wage gap is measured by the percentage difference between the male and female wage lines at any particular job value. The seeking organization provides a percentage adjustment to a female job class based on the percentage of the wage gap in the proxy organization. Each female job class in the seeking organization must be matched with the appropriate job value in the proxy organization, as the percentage wage gap may change at different job values.

To aid the seeking organizations who choose to use this approach, the Pay Equity Office will collect the information needed to draw the female and male wage lines of the proxy organization. The large number of job classes in the proxy organization will ensure that the wage lines are reliable and stable. It is recommended that the Ontario Public Service be used as the proxy organization. An illustration of a female wage line and a male wage line are shown in Figure 5-1A.

Figure 5-1A

ILLUSTRATION OF FEMALE AND MALE WAGE LINES THAT
COULD BE DRAWN FROM DATA PROVIDED BY A PROXY ORGANIZATION



Value of job classes based on gender-neutral comparison system

By using the proxy organization's female and male wage lines, it is possible to determine the under-valuation of any female job class in the seeking organization. This is based on the assumption that systemic gender bias in compensation has operated to a similar degree in the seeking organization and in the proxy organization. Since it is expected that gender bias is a societal problem rather than specific to certain discriminating organizations, it is easy to presume that a certain scope of under-valuation is found in most organizations.

It is likely that there will be some systemic differences in the range of under-valuation. For example, some studies conducted in the United States suggest the wage gap is greater in the private sector than in the public sector. It is also possible there are differences among organizations in the same industry. Thus, it is best to determine pay equity adjustments within each organization,

Under-valuation of female job classes can be measured easily when there is a female and a male wage line. It is the distance between the wage line for female job classes and the wage line for male job classes. Figure 5-1B shows this distance expressed in percentage terms.

Male wage line from
* proxy organization

Female wage
line from
proxy
organization

Value of job classes based on gender-neutral comparison system

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independent of the varying levels of salary in different organizations.

Figure 5-1C shows how the seeking organization would use the graph to determine the pay equity adjustment for a particular female job class. The value of each female job class in the seeking organization is determined via a gender-neutral comparison system and then located on the horizontal axis of the graph for the proxy organization (how this is done is explained later). From this point, a line is drawn parallel to the vertical axis through the female wage line to the male wage line. The percentage differential at this line would be the pay equity adjustment for this female job class. The illustration in Figure 5-1C shows that a pay equity adjustment of 12 percent should be provided to the female job class in the seeking organization. The 12 percent adjustment refers to 12 percent of the job rate currently received by a female job class in the seeking organization.

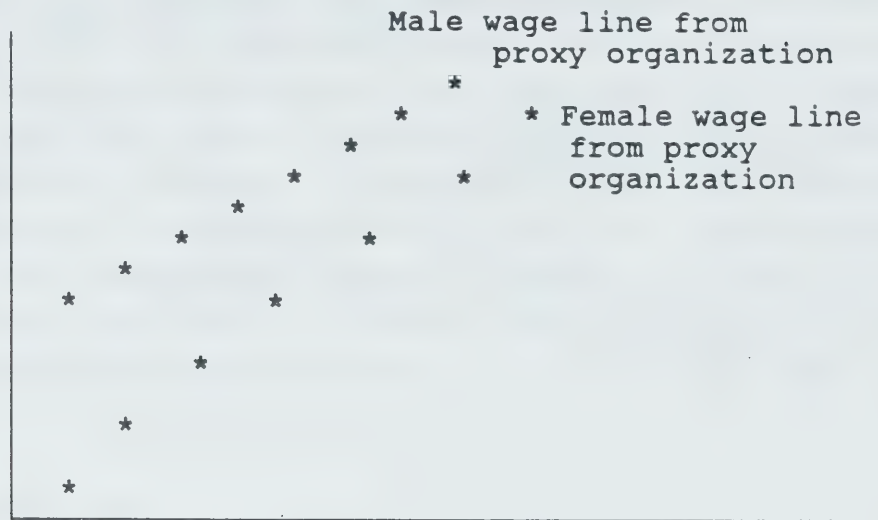
ILLUSTRATION OF THE DETERMINATION
OF PAY EQUITY ADJUSTMENT FOR
ONE FEMALE JOB CLASS IN THE SEEKING ORGANIZATION



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Figure 5-1D(a)

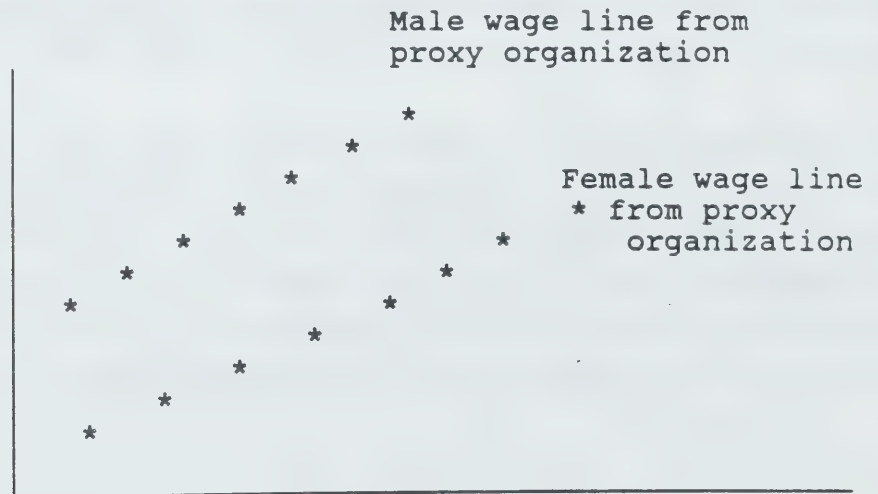
ILLUSTRATION OF WAGE LINES WHERE LOWER LEVEL FEMALE JOB CLASSES
WOULD GET LARGER PAY EQUITY ADJUSTMENTS



Value of job classes based on gender-neutral comparison system

Figure 5-1D(b)

ILLUSTRATION OF WAGE LINES WHERE HIGHER-LEVEL FEMALE
JOB CLASSES WOULD GET LARGER PAY EQUITY ADJUSTMENTS



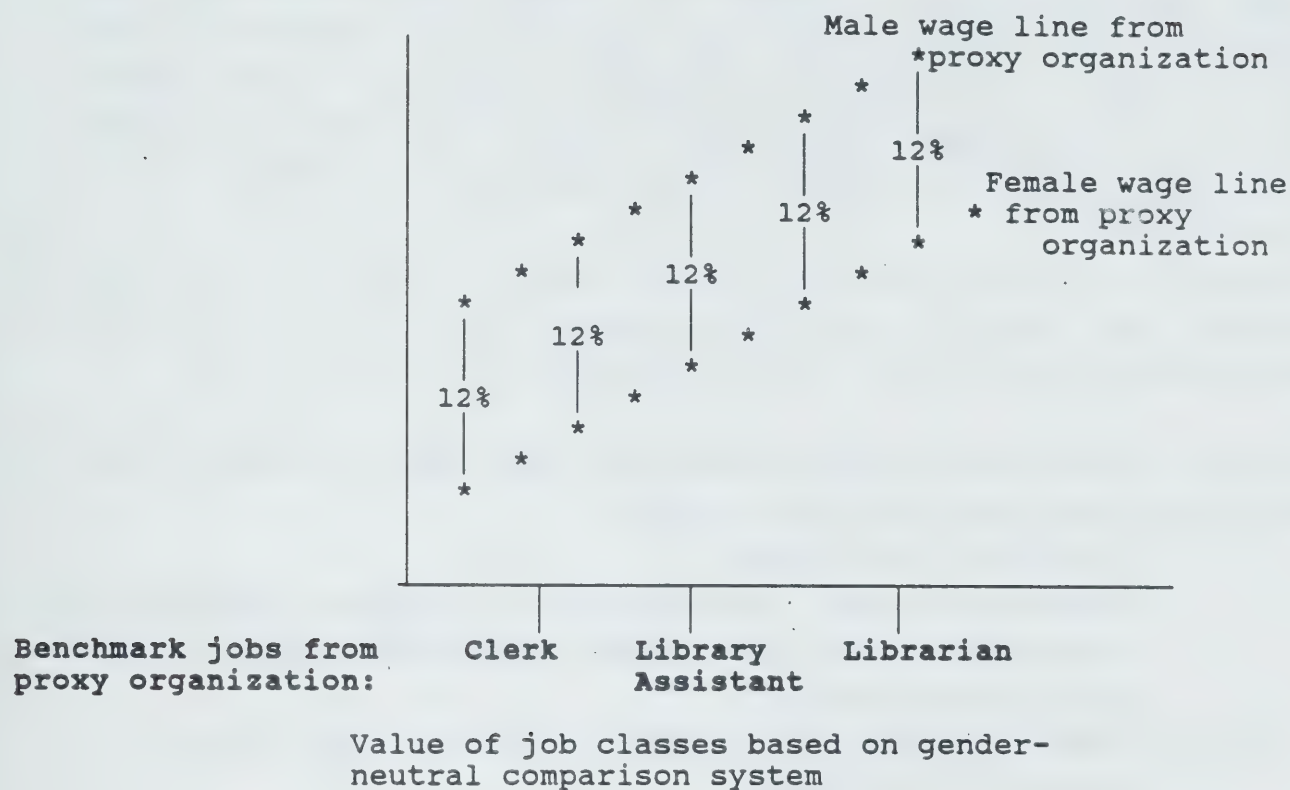
Value of job classes based on gender-neutral comparison system

Once the value of the seeking organization's female job classes are located on the horizontal axis, it is easy to determine the amount of the pay equity adjustment. However, a means is needed to accurately place the female job classes on the horizontal axis, since similar job classes may be valued differently by the proxy and the seeking organizations. So while there will be some relationship between the values assigned to similar job classes in the two organizations, they may not be identical. Some means is needed to relate job value from the seeking organization with job value from the proxy organization. For example, in Figure 5-1C, how was it determined that the female job class in the seeking organization should be placed on the horizontal axis at just that place?

There needs to be some anchor points on the horizontal axis. This can be done with benchmark jobs from the proxy organization. Benchmark jobs are jobs that are typical to a sector (e.g., nurse in health care; social worker in community and social services; secretary in health care, community and social services and libraries). Using benchmark jobs as anchors does not mean, however, that the similar job in the seeking organization will be evaluated the same as the benchmark from the proxy organization. Each organization is free to evaluate its own jobs according to its own sense of value.

It is necessary for the seeking organization to evaluate the benchmark jobs (from the proxy organization) on its gender-neutral comparison system. Then it will know where to place its job classes relative to the benchmark jobs on the horizontal axis. Three to five benchmark jobs can be placed on the horizontal axis as anchors. Figure 5-1E shows what this might look like for the library sector.

ILLUSTRATION OF BENCHMARK JOBS AS A GUIDE TO THE JOB VALUE SCALE



The seeking organization would evaluate the benchmark jobs (relevant to its sector) on its own gender-neutral comparison system. Thus, it would know where its job classes should be placed on the horizontal axis because of their relationship to the benchmark jobs. For example, assume that social worker is one of the benchmark jobs. A community service organization which employs social workers would compare their job with the description provided by the proxy organization. The community service organization can assess whether its social worker job is more, less, or comparably valued. By doing this for the three to five benchmark jobs, it will be possible for the seeking organization to place its jobs along the horizontal axis in a manner which is consistent with the value of jobs in the proxy

organization. This allows the seeking organization to maintain its own values for job classes if they differ from the proxy's values for similar job classes.

It does not matter, then, whether the seeking organization has any jobs similar to the benchmark jobs or not. By evaluating the benchmark jobs on the same gender-neutral comparison system their relative value is determined and the benchmarks can serve as anchors for the other female job classes in the seeking organization.

To summarize the methodology of the wage gap proxy comparison approach, the tasks for the proxy and seeking organizations are outlined below and the role of the Pay Equity Office is noted:

The proxy organization would provide the following information for each of its female and male job classes:

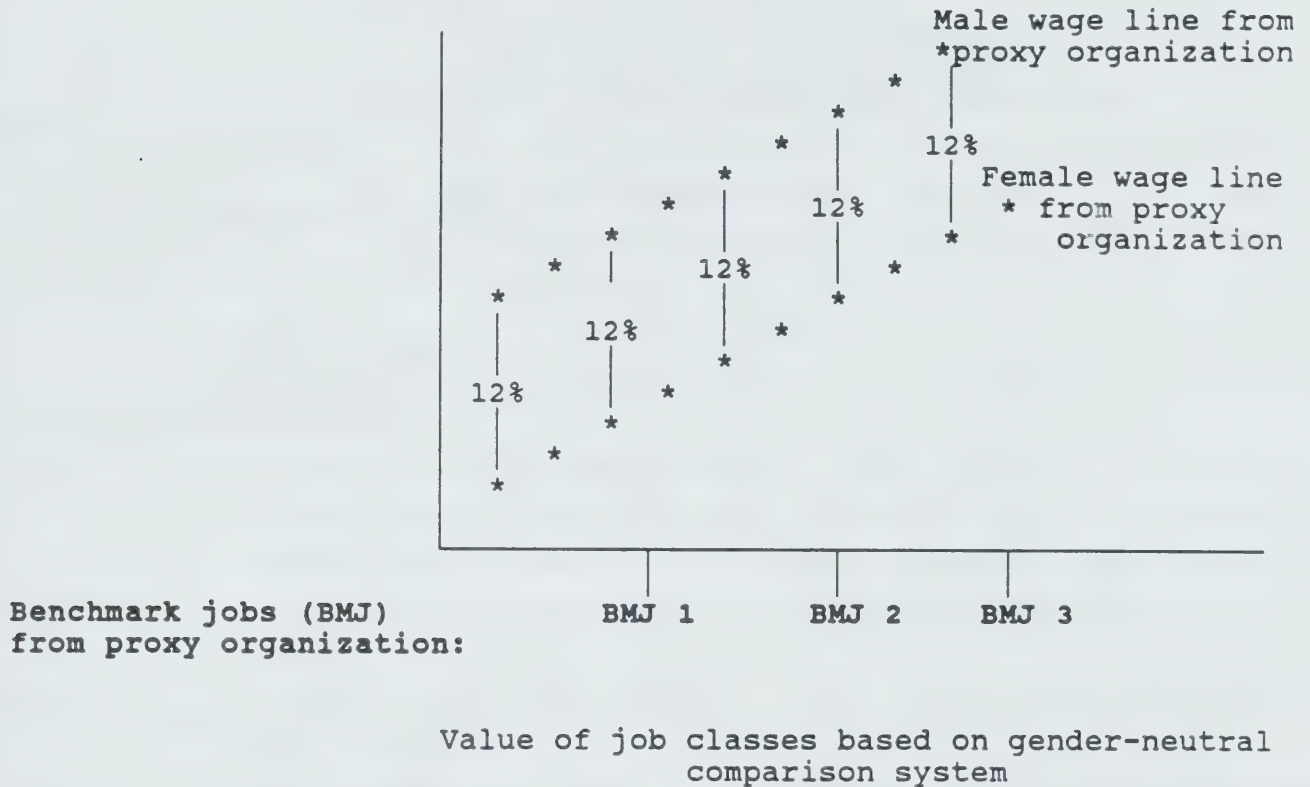
- Titles of job classes,
- Value of the job classes based on whatever gender-neutral job comparison system was used by the proxy organization,
- Job rates before pay equity adjustments for female and male job classes,
- Job descriptions for a few of the female job classes (those that are benchmark jobs within the sector)

The Pay Equity Office would:

- Draw the female and the male wage lines based on the information provided by the proxy organization, and note the benchmark jobs on a graph like the one illustrated in Figure 5-1F.

Figure 5-1F

ILLUSTRATION OF THE GRAPH TO BE PROVIDED
TO SEEKING ORGANIZATIONS BY THE PAY EQUITY OFFICE
FOR THE DETERMINATION OF PAY EQUITY ADJUSTMENTS



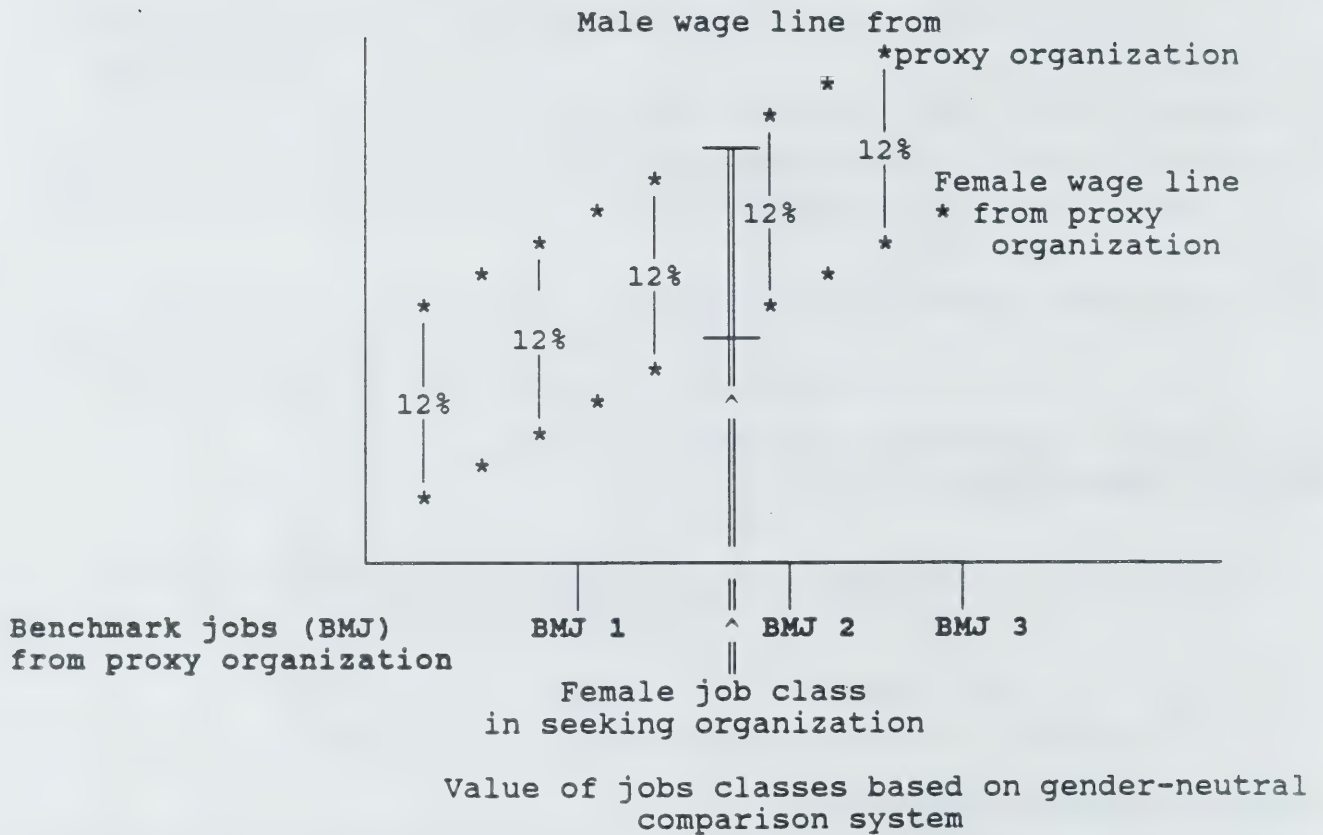
The seeking organization would:

- Using a gender-neutral job comparison system, assess the values of its female job classes and those of the relevant benchmark job classes from the proxy organization.
- Locate each female job class on the horizontal axis of the graph in terms of its value using the benchmark jobs as a guide.
- For each female job class, determine the difference between the female wage line. The percentage differential indicates

the percentage increase needed for the pay equity adjustment for this female job class (see Figure 5-1G).

Figure 5-1G

ILLUSTRATION OF THE DETERMINATION
OF PAY EQUITY ADJUSTMENT FOR
ONE FEMALE JOB IN THE SEEKING ORGANIZATION



APPENDIX 5-2
PROS AND CONS EXPRESSED BY STAKEHOLDERS ABOUT
POSSIBLE PROXY ORGANIZATIONS

The following comments were made by stakeholders about possible proxy organizations. Some of the problems raised are answerable, some others are due to a lack of understanding of the procedure, others highlight concerns with this option.

Hospitals as a proxy:

- Pro: o A large teaching hospital is a particularly attractive proxy, insofar as it offers a large range of similar female job classes to seeking organizations, and a range of appropriate male comparators in the health care field.
- Con: o Not all female job classes within a large hospital may find comparators with the comparator proxy approach.
- o Using a hospital as a proxy raises issues of parity for other, perhaps smaller, hospitals.
- o There is no funding or regulatory ties that link seeking organizations to hospitals.
- o Funding to hospitals is in no way comparable to that of seeking organizations in that hospitals occupy a more privileged position than potential seeking organizations.
- o Hospitals are not likely to be cooperative given some current Tribunal cases on disclosure.

Municipalities as potential proxy organization:

- Pro: o Have a relationship with a number of organizations in predominantly female sectors (e.g., public libraries, childcare centres, health care units)
- o Have a wide range of male job classes.

- Con:
- o Reinforces regional inequities.
 - o May lessen focus on need for provincial funding to achieve pay equity.
 - o May threaten autonomy of organizations such as libraries, community and social service agencies. In terms of pay equity, this could mean a gender-neutral comparison system that does not fully reflect the jobs in these organizations. In other areas, staffing and other human resource functions may be affected.

School boards as proxy organization:

- Con:
- o There is no compelling logic either in the diversity of comparators that boards could offer, or with respect to their relationships with other organizations in predominantly female sectors.

Ontario Public Service (OPS) as proxy organization:

- Pro:
- o There are a large number of similar female job classes and an equally large number of appropriate male comparators.
 - o All establishments in the health care, childcare, education, and community and social service sectors are funded by the provincial government.
 - o It should be easier to obtain the necessary information and general cooperation from the OPS.
 - o Seeking organizations could verify information that comes from the OPS.
 - o Favoured by those in community and social services.
- Con:
- o Using the OPS raises questions of parity.
 - o The OPS is funded in a totally different way than are organizations in these sectors.

APPENDIX 5-3

REACTIONS OF STAKEHOLDERS IN THE VARIOUS PUBLIC SECTORS TO PROXY COMPARISON OPTION

(1) Childcare

Childcare workers found the wage gap proxy approach difficult to understand. However, their main concern was funding of the adjustments whatever way they are determined. Many in childcare agencies, knowing they have no male comparators, have not familiarized themselves with the Act. This is less true of unionized workers.

Commercial operators were concerned that the proxy comparison goes beyond the intent of the Act by allowing comparisons outside the organization. They were also concerned that if subsidies/grants were increased to pay for adjustments they would get less than non-profit groups, as has been the case in the allocation of the direct grants.

Childcare advocates were concerned about a number of issues related to pay. Some are compatible with the goals of pay equity, while others are unrelated. Some of these issues include the low wages, inequities between salaries paid in community colleges and government-run centres versus those paid in community-based centres, regional discrepancies (salaries are higher in the north), discrepancies between pay in non-profit and commercial associations, and funding issues. They are interested in the pay equity that best addresses their overall concerns about pay.

Advocates see an additional option which goes beyond proxy: this is to make the province the employer for non-profit childcare agencies, because they are regulated by the province and receive subsidies from the provincial and municipal governments. The community-based commercial childcare centres have Purchase of Service agreements with

municipalities, and also could be considered employees of the municipality.

(2) Health care

A number of professional associations, employer groups, employers, and unions were consulted. Few of these groups had any substantive or specific comments regarding the proxy option. However, there were concerns from both employers and unions.

One administrator from a small hospital in the north felt the only appropriate proxy would be another hospital. The public service, in his view, did not offer comparable jobs, was funded differently, and the salaries were higher. Concern was expressed about "paying Toronto rates".

Representatives from large hospitals were concerned about issues of disclosure. One large hospital, which might be seen as a proxy, felt it was unfair that one organization, by virtue of its size and fair job evaluation plan, will have to surrender confidential information to the government when no one else is required to do so. There was a concern that the proxy option would lead some hospitals' employees to perceive that some other hospital was better paid because it was serving as a proxy.

Concerns about funding were expressed consistently. Funding differences between proxy and seeking organizations was the most crucial issue for managers of private for-profit health care establishments. They felt that this option ignored the question of different overheads and constituted a major infringement on their business practices. For example, nursing home operators who receive approximately \$62 a day per client felt it was extremely unfair that they would be forced to use a proxy organization -- such as a hospital -- that was not under similar monetary constraints. Those in non-unionized establishments were concerned that they would be forced to use unionized establishments as proxies.

Unions were concerned about utilizing proxy information processed by the Pay Equity Office unless they had input in the negotiation process. Union representatives were also concerned that non-union organizations would be used as the proxy organization.

Concern was expressed that job classes in the seeking and proxy organizations were quite different, making it difficult to compare them. (This overlooks the fact that the very purpose of pay equity is to compare female job classes with very dissimilar male job classes.)

An employer association was very negative about extending the search for comparators beyond what is currently required in the Act.

(3) Community and Social Services

Those in agencies were unanimous in their support for the use of proxy organizations for the purpose of achieving pay equity. Some of the larger agencies that expected to find male comparators for a few of their female job classes were concerned about inconsistencies between pay equity adjustments derived internally and externally.

There was less certainty about which organization(s) should be designated as a proxy. Their initial reaction was to look for agencies which do similar work. However, this would be unlikely to help achieve pay equity. Overall, there was support for the Ontario Public Service as the proxy.

The use of wage lines in the wage gap approach was not a problem, but there was concern about comparing work at the community level with similar government jobs. This was seen as an issue particularly by those in the north.

Unions were primarily concerned with options that respect their right to bargain the process of defining pay equity adjustments, including the determination of the proxy organization.

(4) Public libraries

Employers, employees, unions, and professional associations were contacted.

In some libraries pay equity is being implemented because the library employees are being treated as employees of the municipality. In others, the library and municipality are implementing pay equity separately. Some libraries are part of the municipality (these tend to be in small towns with populations of under 15,000).

Autonomy and funding issues are interwoven with pay equity issues in the library sector. Library boards are concerned about maintaining autonomy from the municipality. Traditionally this has focused on a concern for intellectual freedom, but within the pay equity context, lack of autonomy can mean that a gender-neutral comparison system is imposed on the library board. While the proxy comparison approach would solve this problem, a concern was expressed by both employers and unions that they will not be able to ensure the quality of the data.

Unions were concerned that even in libraries where there are some male job classes that these classes are underpaid, because these men are employed by a predominantly female organization. In situations where some male comparators are found, but other female job classes rely on the proxy option, there may be inconsistencies.

One union representative felt that the whole proxy option avoided the question of "who is the employer" for libraries. On the other hand, some human resource professionals in libraries liked the proxy approach because it would work, and it did not make the municipality the employer.

One union and one management person expressed concern about the Pay Equity Office's involvement in the wage gap approach, seeing the Pay Equity Office as both the "instigator and arbitrator" of pay equity adjustments.

For libraries, municipalities are the obvious proxy organization; there is no relationship to the Ontario Public Service.

Municipal councils could see that the achievement of pay equity within libraries might be expensive.

APPENDIX 6-1

COMMENTS FROM EMPLOYERS ABOUT BENEFITS OF PAY EQUITY

Positive comments

Employer within leather, textile and apparel manufacturing:

From the industry's perspective (average adjustment) would probably, in some cases, help. It would probably bring up a few people that would not be brought up otherwise but it is not going to solve every problem.

Tourism employers:

We are aware the women in our organization should be paid higher... There just was not the money for wage increase, and we were always able to hire people at the current wages we are paying. With pay equity we will have to give the increases... The rates for all the female jobs need to be brought up to a comparable level to the male jobs in our company -- I guess it's only fair.

Although this process will undoubtedly be very expensive, long term effects could and would probably prove very positive. For example, when female jobs and male jobs will be considered to be paid equitably, our business then can explore the possibility of implementing formal cross-training programs and internal promotions and transfers will be easier to plan because low wages will no longer be a barrier.

We have had a difficult time hiring competent employees as well as keeping good employees... Possible wage adjustments

due to pay equity may help our organization attract and retain competent and committed female employees. The wage adjustments would also bring the wages of female jobs up closer to the rates of the male jobs and therefore many of the competent and promising female employees would feel they have the opportunities for advancement.

Pay equity and job analysis will be good for our organization because senior management will finally have to attempt to understand and acknowledge many aspects of the female jobs in our organization that have evolved into more responsible positions due to the mere demands of the business. It is inevitable that the realization will be made that many of these jobs have been undervalued for some time.

We do not have a personnel department and pay equity is very complex. We may just look at what the recommended adjustment will be... It would... be less expensive than hiring a consultant or a personnel manager...

Negative comments

Employer within leather, textile and apparel manufacturing:

It just doesn't make sense to me that there has to be an increase. Because we don't have a situation that fits their criteria are they coming back and saying that there still has to be an overall increase for the females which is ludicrous.

Employer in other manufacturing:

You have to get the (women) out of those lower paid jobs and that is done through employment equity not pay equity. They are only looking at one aspect of the picture.

Employer within retail sector:

To apply an average across women where there is no comparators you are assuming that those women do not have equitable salaries and I don't think that you can make that assumption. You are assuming that just because they are female they are not being paid equitably.

Tourism employers:

How does the government expect small business to be able to financially afford the implementation of such increases and also award a cost of living increase in the same year?

Will average adjustment take into consideration the unique financial situation of all the small businesses?

It is only a one-shot deal the way I see it. We may as well get it over and done with quickly. Then we can go back to paying the way we and the prosperity of the business dictates as fair, not the provincial government.

Nobody is going to give anybody any increases until they get caught.

THE PAY EQUITY COMMISSION



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